UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934

For the month of June 2024

Commission File Number 001-39670

PURETECH HEALTH PLC

(Translation of registrant's name into English)

6 Tide Street, Suite 400
Boston, Massachusetts 02210
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

INFORMATION CONTAINED IN THIS REPORT ON FORM 6-K

On August 28, 2024, PureTech Health plc (LSE: PRTC, Nasdaq: PRTC) (the “Company”) issued a press release containing its half-year report along with the Interim Management Report and Financial Review for the Six Months Ended June 30, 2024 and 2023, and the associated Unaudited Condensed Consolidated Financial Statements as of and for the Six Months Ended June 30, 2024 and 2023 and as of December 31, 2023, which are furnished herewith as Exhibit 99.1, Exhibit 99.2 and 99.3, respectively, and are incorporated by reference herein.

Exhibits

99.1	Press Release of PureTech Health plc, dated August 28, 2024, titled "PureTech Health plc – Half-Year Report"
99.2	Interim Management Report and Financial Review for the Six Months Ended June 30, 2024 and 2023
99.3	Unaudited Condensed Consolidated Financial Statements as of and for the Six Months Ended June 30, 2024 and 2023 and as of December 31, 2023

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PURETECH HEALTH PLC

Date: August 28, 2024

By: /s/ Bharatt Chowrira

Name: Bharatt Chowrira

Title: Chief Executive Officer

Exhibit 99.1

28 August 2024

PureTech Health plc – Half-Year Report

Strong progress across PureTech's portfolio, with significant near-term catalysts
Robust shareholder returns enabled by Founded Entity[1] monetization; $100 million Tender Offer and $50 million buyback completed

Strong balance sheet with expected operational runway for at least three years

Company to host a webcast and conference call today at 9:00am EDT / 2:00pm BST

PureTech Health plc (Nasdaq: PRTC, LSE: PRTC) ("PureTech" or the "Company"), a clinical-stage biotherapeutics company dedicated to changing the lives of patients with devastating diseases, today announces its half-yearly results for the six months ended June 30, 2024. The following information will be filed on Form 6-K with the United States Securities and Exchange Commission (the "SEC") and is also available at https://investors.puretechhealth.com/financials-filings/reports.

Commenting on PureTech's half-yearly results, Bharatt Chowrira, PhD, JD, Chief Executive Officer of PureTech, said:

"I am proud of the talented team at PureTech that has continued to deliver results with a sense of diligence and passion. PureTech made significant progress in the first half of 2024, advancing our mission to develop innovative therapies for the patients most in need. We have also implemented strategies to drive efficient operations and capital allocation. This has resulted in a decrease in both our R&D and G&A expenses at the PureTech level.

"Looking ahead, we are focused on several key catalysts. The highly anticipated FDA decision around the approval of KarXT, which is expected by Bristol Myers Squibb ("BMS") in September, would unlock the first in a series of milestone payments to PureTech in the coming years as well as future royalties. We are also very excited about the readout of our Phase 2b trial from our Internal Program, LYT-100 (deupirfenidone), which is expected by the end of 2024. We believe LYT-100 has blockbuster potential to transform the treatment landscape for patients with idiopathic pulmonary fibrosis ("IPF") as the preferred standard of care, driving significant value for PureTech. Additionally, we expect clinical readouts from both the Vor and LYT-200 programs as well as further clinical progress at Seaport and Vedanta.

"With our robust hub-and-spoke drug discovery and development model and strong financial foundation, we believe PureTech is well-positioned to rapidly advance innovative therapeutic candidates to patients, and we remain committed to unlocking and realizing value for our shareholders."

Webcast and conference call details

Members of the PureTech management team will host a conference call at 9:00am EDT / 2:00pm BST today, August 28, 2024, to discuss these results. A live webcast and presentation slides will be available on the investors section of PureTech's website under the Events and Presentations tab. To join by phone, please dial:

United Kingdom (Local): +44 20 3936 2999

United Kingdom (Toll-Free): +44 800 358 1035

United States (Local): +1 646 664 1960

United States (Toll Free): +1 855 9796 654
Access Code: 808029

For those unable to listen to the call live, a replay will be available on the PureTech website.

Key Internal Programs[2] & Founded Entities

Internal Programs	Ownership	Indication
LYT-100 (deupirfenidone)	100%	Being advanced for idiopathic pulmonary fibrosis and potentially other conditions involving pulmonary fibrosis

Founded Entities	Ownership[3]	Overview
Seaport Therapeutics	57.7% Equity	Advancing a clinical-stage pipeline of neuropsychiatric medicines
Karuna Therapeutics (wholly owned subsidiary of Bristol Myers Squibb as of March 18, 2024)	Regulatory and commercial milestone payments from Royalty Pharma (up to $400M) and BMS, and 2% royalties on annual net sales >$2B from BMS	Advancing transformative medicines for people living with psychiatric and neurological conditions
Gallop Oncology	100% Equity	Pioneering novel therapies for the treatment of hematological malignancies, alongside treatments for locally advanced/metastatic solid tumors such as head and neck cancers
Vedanta Biosciences	35.9% Equity	Pioneering a new category of oral therapies based on defined bacterial consortia
Vor Bio	3.9% Equity	Engineering hematopoietic stem cells to enable targeted therapies for patients with blood cancers
Sonde Health	34.9% Equity	Developing a voice-based artificial intelligence platform to detect changes in health
Entrega	73.8% Equity	Engineering hydrogels to enable the oral administration of peptide therapeutics (e.g., GLP-1 agonists)

Highlights

PureTech

- Completed enrollment of the Phase 2b ELEVATE IPF trial of LYT-100 (deupirfenidone) in IPF, with topline results expected by the end of 2024.
- Executed $100 million tender offer, which – together with the Company's $50 million share buyback program that completed on February 7, 2024 – constituted $150 million of capital returned to shareholders since May 2022.
- Appointed key executives, including Bharatt Chowrira, PhD, JD, as Chief Executive Officer (formerly President and Chief Business, Finance and Operating Officer), Eric Elenko, PhD, as President (formerly Chief Innovation Officer), Charles Sherwood III, JD, as General Counsel, and Raju Kucherlapati, PhD as Chair of the Board of Directors on a permanent basis.
- Welcomed two entrepreneurs-in-residence: Sven Dethlefs, PhD, formerly Executive Vice President and CEO of Teva North America, and Luba Greenwood, JD, Managing Partner of the Dana-Farber Cancer Institute Venture Fund, Binney Street Capital, and former Chief Executive Officer and Board Chair of Kojin Therapeutics.
- Announced in the August 2024 post-period that Michele Holcomb, PhD, will join PureTech's Board of Directors as an independent non-executive director on September 23, 2024.

Founded Entities

- **Karuna Therapeuti**cs ("Karuna") was acquired by BMS in March 2024 for a total equity value of $14 billion. PureTech received approximately $293 million gross proceeds from its equity position in Karuna and is eligible to receive up to $400 million in future milestone payments as well as royalty payments based on KarXT regulatory and commercial successes.
- PureTech launched **Seaport Therapeutics** ("Seaport") with a $100 million oversubscribed Series A financing to progress the development of novel neuropsychiatric therapeutic candidates enabled by Glyph™, its novel platform that allows drugs to be absorbed like dietary lipids so they can enter the lymphatic system directly and avoid first pass metabolism. Seaport is led by PureTech Founder and Former CEO and Seaport Founder and CEO Daphne Zohar, with Steven M. Paul, M.D., former CEO and Chair of Karuna, as Founder and Chair of the Seaport Board of Directors.
- PureTech announced that it will advance LYT-200 (anti-galectin-9 mAb) via **Gallop Oncology** ("Gallop") for the treatment of hematological malignancies, such as acute myeloid leukemia ("AML") and high-risk myelodysplastic syndromes ("MDS"), and metastatic/locally advanced solid tumors, including head and neck cancers. LYT-200 received two designations from the US Food and Drug Administration ("FDA"): Orphan Drug designation for the treatment of AML and Fast Track designation for the treatment of head and neck cancers.
- **Vedanta Biosciences** ("Vedanta") enrolled the first patient in its pivotal Phase 3 RESTORATiVE303 trial of VE303 for the prevention of recurrent C. difficile infection ("rCDI"). Vedanta was also awarded $3.9 million from CARB-X to ready VE707 for a first-in-human study for the prevention of multidrug-resistant infections.
- **Vor Biopharma** (Nasdaq: VOR) ("Vor") dosed the first AML patient in VBP301, a Phase 1/2 multicenter, open-label, first-in-human study of VCAR33^{ALLO} and announced that it expects to provide a clinical trial update in the second half of 2024.

- **Sonde Health** (“Sonde”) launched Sonde Cognitive Fitness in the July post-period, which analyzes eight vocal characteristics from 30-second voice interactions to provide insight into one’s cognitive state, helping people manage their mental well-being and productivity effectively.
- **Entrega** continues to advance its platform for the oral administration of biologics, vaccines and other drugs that are otherwise not efficiently absorbed when taken orally. To validate its technology, Entrega generated preclinical proof-of-concept data demonstrating administration of therapeutic peptides into the bloodstream of large animals.

Financial:

- Consolidated Cash, cash equivalents and short-term investments as of June 30, 2024, were $500.4 million[4] (December 31, 2023: Consolidated Cash, cash equivalents and short-term investments of $327.1 million) and PureTech Level Cash, cash equivalents and short-term investments as of June 30, 2024, were $400.6 million[5] (December 31, 2023: PureTech Level Cash, cash equivalents and short-term investments of $326.0 million)
- Operating expenses for the six months ended June 30, 2024, were $66.7 million (June 30, 2023: $79.3 million).
- PureTech expects to have PureTech Level Cash, cash equivalents and short-term investments of approximately $330 million[6] at December 31, 2024, which is inclusive of expected payments of approximately $40 million to address the Company’s tax obligations. As of June 30, 2024, the Company maintains an expected operational runway of at least three years.

Key Upcoming Milestones

- PureTech expects topline results from the Phase 2b ELEVATE IPF dose-ranging trial of LYT-100 in patients with IPF by the end of 2024. The trial is designed to evaluate the efficacy, tolerability, safety and dosing regimen of LYT-100 in patients with IPF compared to placebo and will also assess the relative efficacy of two doses of LYT-100. The primary endpoint is the rate of decline in Forced Vital Capacity FVC for the combined LYT-100 arms versus placebo over the 26-week treatment period using a prespecified Bayesian approach. Both doses of LYT-100 will be compared to pirfenidone, though the trial is not powered to show a statistical difference in efficacy between LYT-100 and pirfenidone. We believe LYT-100 has the potential to have a profound impact on the way IPF is managed by allowing patients to start, continue and fully benefit from treatment, both as monotherapy and in combination settings with other antifibrotic therapies.
- KarXT (formerly Karuna; now wholly owned by BMS) has a Prescription Drug User Fee Act (“PDUFA”) date of September 26, 2024, for the treatment of schizophrenia in adults, which means the FDA is expected to make a decision regarding the approval of KarXT by this date. If the drug is approved, this would unlock the first in a series of potential milestone payments to PureTech in the coming years as well as future royalties. Pending approval, BMS also announced that KarXT is expected to launch in late 2024.
- LYT-200 (which will be advanced via Gallop) is being evaluated in two ongoing Phase 1b clinical trials for the treatment of relapsed/refractory AML and MDS as well as in combination with tislelizumab in head and neck cancers. Additional data from the open label trials are expected in the fourth quarter of 2024 and will help to inform future development work.
- Vor expects to provide clinical trial updates for trem-cel and VCAR33^{ALLO} in the second half of 2024. Trem-cel is a shielded transplant in development for patients with AML and MDS in which healthy transplant donor cells are genetically engineered removing CD33, with the potential to shield healthy cells and enable targeted therapies post-transplant such as Mylotarg and CAR-T therapy. VCAR33^{ALLO} is a transplant donor-derived anti-CD33 CAR-T cell therapy for patients with AML who have relapsed following a standard-of-care or trem-cel transplant.
- Vedanta expects topline data from its Phase 3 RESTORATiVE303 trial of VE303 for the prevention of rCDI in 2026. This trial is evaluating the efficacy and safety of VE303 in patients with rCDI and is intended to form the basis for a Biologics License Application (“BLA”) to be filed with the FDA. It also expects topline data from its Phase 2 COLLECTiVE202 clinical trial of VE202 for the treatment of ulcerative colitis (“UC”) in 2025. Vedanta also expects to initiate a Phase 1 trial of VE707 for the prevention of multidrug-resistant infections in 2025.

About PureTech Health

PureTech is a clinical-stage biotherapeutics company dedicated to giving life to new classes of medicine to change the lives of patients with devastating diseases. The Company has created a broad and deep pipeline through its experienced research and development team and its extensive network of scientists, clinicians and industry leaders that is being advanced both internally and through its Founded Entities. PureTech's R&D engine has resulted in the development of 29 therapeutics and therapeutic candidates, including two that have received both U.S. FDA clearance and European marketing authorization and a third (KarXT) that has been filed for FDA approval. A number of these programs are being advanced by PureTech or its Founded Entities in various indications and stages of clinical development, including registration enabling studies. All of the underlying programs and platforms that resulted in this pipeline of therapeutic candidates were initially identified or discovered and then advanced by the PureTech team through key validation points.

For more information, visit www.puretechhealth.com or connect with us on X (formerly Twitter) @puretechh.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward looking statements contained in Section 27A of the U.S. Securities Act of 1933, as amended and Section 21E of the Exchange Act of 1934, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation, statements that relate to our expectations around our and our Founded Entities' therapeutic candidates and approach towards addressing major diseases, operational plans, future prospects, objectives, developments, strategies and expectations, the progress and timing of clinical trials and data readouts, the timing of regulatory approvals or clearances from the FDA, our future results of operations and financial outlook, including our anticipated cash runway and our forecasted cash, cash equivalents and short-term investments, and our ability to realize value for our shareholders.

The forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other important factors that could cause actual results, performance and achievements to differ materially from current expectations, including, but not limited to, the following: our history of incurring significant operating losses since our inception; our ability to realize value from our Founded Entities; our need for additional funding to achieve our business goals, which may not be available and which may force us to delay, limit or terminate certain of our therapeutic development efforts; our limited information about and limited control or influence over our Non-Controlled Founded Entities; the lengthy and expensive process of preclinical and clinical drug development, which has an uncertain outcome and potential for substantial delays; potential difficulties with enrolling patients in clinical trials, which could delay our clinical development activities; side effects, adverse events or other safety risks which could be associated with our therapeutic candidates and delay or halt their clinical development; our ability to obtain regulatory approval for and commercialize our therapeutic candidates; our ability to compete with companies currently marketing or engaged in the development of treatments for indications within our programs are designed to target; our ability to realize the benefits of our collaborations, licenses and other arrangements; the impact of government laws and regulations; our ability to maintain and protect our intellectual property rights; our reliance on third parties, including clinical research organizations, clinical investigators and manufacturers; our vulnerability to natural disasters, global economic factors, geo-political actions and unexpected events; and the risks, uncertainties and other important factors described under the caption "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2023 filed with the SEC and in our other regulatory filings. These forward-looking statements are based on assumptions regarding the present and future business strategies of the Company and the environment in which it will operate in the future. Each forward-looking statement speaks only as at the date of this press release. Except as required by law and regulatory requirements, we disclaim any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

1 As of the date of this release, Founded Entities represent companies founded by PureTech in which PureTech maintains ownership of an equity interest and, in certain cases, is eligible to receive sublicense income and royalties on product sales. References to Founded Entities include PureTech's Seaport Therapeutics, Inc., Gallop Oncology, Inc., Entrega, Inc., Vor Biopharma, Inc., Sonde Health, Inc., Vedanta Biosciences, Inc., for all dates prior to March 18, 2024, Karuna Therapeutics, Inc., for all dates prior to July 2, 2024, Akili Interactive Labs, Inc., for all dates prior to October 30, 2023, Gelesis, Inc., for all dates prior to December 21, 2023, Follica, Incorporated, and for all dates prior to December 18, 2019, resTORbio, Inc. For references and definitions related to PureTech's Viability Statement, Financial Review, and Financial Statements and related footnotes, please see Footnote 4 to the Consolidated Financial Statements.

2 Internal Programs represent the Company's current and future therapeutic candidates and technologies that are wholly owned and have not been announced as a Founded Entity.

3 Founded Entities represent companies founded by PureTech in which PureTech maintains ownership of an equity interest and, in certain cases, is eligible to receive sublicense income and royalties on product sales. Relevant ownership interests were calculated on a partially diluted basis (as opposed to a voting basis) as of June 30, 2024, including outstanding shares, options and warrants, but excluding unallocated shares authorized to be issued pursuant to equity incentive plans. PureTech controls Seaport Therapeutics, Inc. and Gallop Oncology, Inc. Vor Biopharma ownership was calculated on a beneficial ownership basis in accordance with SEC rules as of August 2, 2024.

4 Cash, cash equivalents and short-term investments as of June 30, 2024, and as of December 31, 2023 held at PureTech Health plc and consolidated subsidiaries. For more information, please see below under the heading "Non-IFRS Financial Information."

5 This represents a non-IFRS number and is comprised of Cash, cash equivalents and short-term investments held at PureTech Health plc and our following wholly-owned subsidiaries: PureTech LYT, Inc., PureTech LYT 100, Inc., Alivio Therapeutics, Inc., PureTech Management, Inc., PureTech Health LLC, PureTech Securities Corp., PureTech Securities II Corp. For a reconciliation of this number to the IFRS equivalent number, please refer to the "Non-IFRS Financial Information" section of this report.

6 This represents a non-IFRS number and is comprised of Cash, cash equivalents and short-term investments held at PureTech Health plc and our following wholly-owned owned subsidiaries: PureTech LYT, Inc., PureTech LYT 100, Inc., Alivio Therapeutics, Inc., PureTech Management, Inc., PureTech Health LLC, PureTech Securities Corp, PureTech Securities II. We are not able to provide a reconciliation of this forecasted number to the IFRS equivalent number because PureTech Level Cash, cash equivalents and Short-term investments as of December 31, 2024, is contingent on upon a number of factors, certain of which cannot be predicted on a forward-looking basis without unreasonable efforts or are not within our control. Actual PureTech Level Cash, Cash Equivalents and Short-term investments as of December 31, 2024, may differ significantly from this projection. This projection does not include any potential cash inflows that may be received by the Company prior to December 31, 2024, and may be impacted by factors beyond our control, including unanticipated cash expenditures and changes in the value of short-term investments.

Non-IFRS Financial Information

Cash flow and liquidity

PureTech Level cash, cash equivalents and short-term investments	**Measure type:** Core performance **Definition:** Cash and cash equivalents and short-term investments held at PureTech Health plc and our wholly-owned subsidiaries. **Why we use it:** PureTech Level cash, cash equivalents and short-term investments is a measure that provides valuable additional information with respect to cash, cash equivalents and short-term investments available to fund the Wholly-Owned Programs and make certain investments in Founded Entities.

Non-IFRS Measures Reconciliation

The following is the reconciliation of the amounts appearing in our Condensed Consolidated Statement of Financial Position to the alternative performance measure described above:

(in thousands)	June 30, 2024	December 31, 2023
Cash and cash equivalents	**308,478**	191,081
Short-term investments	**191,938**	136,062
Consolidated cash, cash equivalents and short-term investments	**500,416**	327,143
Less: cash and cash equivalents held at non-wholly owned subsidiaries	**(99,778)**	(1,097)
PureTech Level cash, cash equivalents and short-term investments	**$ 400,638**	$ 326,046

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Exhibit 99.2

Interim Management Report and Financial Review

Interim Management Report

Introduction

PureTech's core mission is to give life to new classes of medicine to change the lives of patients with devastating diseases. With this mission in mind, we pioneered the hub-and-spoke business model. Our R&D engine has proven successful in this endeavor, having identified, developed and progressed 29 highly differentiated therapeutic approaches, including KarXT, LYT-100 (deupirfenidone) and the portfolio of Seaport Therapeutics, among others. We maintain one of the most impressive track records in the biopharma industry, with more than 80% of our clinical trials having demonstrated success since 2009.

Unique drug discovery approach

We believe that our high level of productivity and clinical success is a result of our distinctive approach to drug development. We first identify an area with significant patient need. We then explore therapeutic approaches that often have validated human efficacy but have not yet reached their full potential due to key limitations, such as the route of administration or side effects. Next, we work to unlock a potential new medicine's full benefit while executing efficient de-risking experiments. We adhere to disciplined R&D strategies, and we only allocate resources to programs that reach our pre-specified thresholds for advancement. This allows us to pivot resources towards the programs with the greatest likelihood of advancement and has resulted in our success rate. Once a program has achieved a key value-generating inflection point, we determine whether the best path forward to maximize patient benefit and shareholder value is through continued internal development or via a Founded Entity, an asset sale, and/or partnering and royalty transactions.

We intend to utilize the same proven strategy to determine the ideal path for the advancement of our Internal Program, LYT-100, following the results of the Phase 2b trial by the end of this year. We will be guided by the data, and we will pursue the optimal route to deliver this potentially transformational medicine to patients and generate value for our shareholders.

Efficient funding model

Our Founded Entities serve as specialized platforms to pursue development with external partners, supporting timely progress of novel medicines to patients while also mitigating binary risk through a diverse portfolio. KarXT demonstrates how our Founded Entities are able to generate value for our shareholders, while also demonstrating our capital efficient approach. We allocated $18.5 million to the program, and – in addition to transforming the treatment landscape for patients with schizophrenia –Karuna's success has allowed us to generate approximately $1.1 billion in cash to date to fund our operations, fuel our next wave of innovation and return capital to shareholders. This has been realized through the monetization of a portion of our holdings in Karuna, gross proceeds from the BMS acquisition, and a strategic royalty agreement for KarXT with Royalty Pharma that provided us with capital in the short-term and which we believe has great potential for long-term earnings based on KarXT's future regulatory and commercial milestones, as well as product sales.

Our distinct business model and successes like Karuna have enabled us to be a well-capitalized organization: For more than six years we have been able to fund new and maturing programs to key inflection points without external funding at the PureTech Level, we have returned $150 million to shareholders via our share buyback program and Tender Offer, and – going forward – we aim to maintain at least three years of cash runway.

Commitment to shareholder value

Maximizing long-term shareholder value remains the Company's top priority, and the Board and Management Team conduct a continual review of various strategies in order to unlock and crystallize value for shareholders. In doing so, the board aims to balance (1) opportunities for further capital returns, (2) sourcing and development efforts to grow our portfolio of potential new medicines and (3) support for our current programs and Founded Entities, all while serving patients in need.

PureTech's expertise builds on a rich legacy of innovation. It spans the lifecycle of drug development, is infused with scientific entrepreneurship and maintains a capital efficient ethos. As we look towards the development of our next wave of innovation, we are focused on advancing candidates with validated efficacy within the rare and specialty disease spaces, and we look forward to providing updates in due course.

Notable Developments

Internal Programs

Our Internal Programs are guided by a strategy of leveraging validated efficacy to rapidly advance therapeutics with proven profiles. A deeper level of risk management at every stage of development is core to PureTech's development philosophy. Importantly, our approach prioritizes maintaining the validated pharmacology of efficacious drugs while applying an innovative step to maximize their unrealized potential for patient needs.

Our lead Internal Program, **LYT-100 (deupirfenidone)**, is currently in clinical development for IPF, which is a rare, progressive and fatal lung disease with a median survival of 2-5 years.[1] Pirfenidone (Esbriet®) is approved for the treatment of IPF in the US and

other countries, having been shown to slow the decline of lung function and extend life by an average of 2.5 years.[1] It is one of two standard-of-care treatments for IPF, with nintedanib (Ofev®) being the other. Despite the proven efficacy of both treatments, only about 25 percent of patients with this rare, progressive and fatal disease are currently being treated with either standard-of-care drug,[2] largely due to tolerability issues. Furthermore, combined sales of Esbriet and Ofev in 2022 were more than $4 billion, representing a significant market opportunity in IPF and other fibrotic lung diseases.[3]

LYT-100 maintains the pharmacology of pirfenidone but has a highly differentiated pharmacokinetic profile that has translated into favorable tolerability, as demonstrated by data from multiple human clinical studies. Our goal with the ongoing Phase 2b ELEVATE IPF trial is to validate the ability of LYT-100 to demonstrate a favorable tolerability profile and efficacy that's comparable to pirfenidone, while also exploring the potential for enhanced efficacy at a higher dose. Based on clinical data generated to date, we believe that LYT-100 has the potential to disrupt the treatment paradigm for IPF and become the backbone antifibrotic for a range of combination therapies as well as the preferred monotherapy for IPF patients, including the 75% who are not currently on standard-of-care treatment. The trial is fully enrolled, and we look forward to sharing topline results by the end of 2024.

This program is emblematic of PureTech's strategy. We identified a clear patient need with a large market opportunity and are efficiently advancing a drug candidate with a clear development path and existing clinical validation.

Founded Entities

Our Founded Entities have achieved significant milestones in the first half of 2024.

In March 2024, **Karuna** was acquired by BMS for approximately $14 billion, marking a significant advancement in our Founded Entity's mission to deliver transformative medicines for people living with psychiatric and neurological conditions. Karuna is now a wholly owned subsidiary of BMS, and Karuna's lead candidate, KarXT, has been granted a PDUFA date of September 26, 2024, for the treatment of schizophrenia in adults. If the drug is approved, this would unlock the first in a series of potential milestone payments to PureTech in the coming years as well as future royalties. Pending approval, BMS also announced that KarXT is expected to launch in late 2024.

In April 2024, PureTech launched **Seaport** with a $100 million oversubscribed Series A financing. The funding included participation from top tier biotech investors ARCH Venture Partners, Sofinnova Investments and Third Rock Ventures to progress the development of neuropsychiatric therapeutic candidates initially developed internally at PureTech. Seaport is advancing first and best-in-class medicines for the treatment of neuropsychiatric disorders using the Glyph platform. The Glyph platform is uniquely designed to allow drugs to be taken orally by targeting them directly into the lymphatic system (similar to the way a dietary lipid is absorbed) rather than the liver, which helps to reduce liver toxicities and enables more active drug to reach the desired target in the body. Seaport's pipeline includes, SPT-300 (formerly LYT-300), an oral prodrug of allopregnanolone, which is being advanced for the treatment of major depressive disorder; SPT-320 (formerly LYT-320), a novel prodrug of agomelatine, which is being advanced for the treatment of generalized anxiety disorder; and SPT-348, a prodrug of a non-hallucinogenic neuroplastogen, which is in development for the treatment of mood and other neuropsychiatric disorders.

We also announced that we would be advancing LYT-200 (anti-galectin-9 mAb) through another Founded Entity, **Gallop**, for the treatment of hematological malignancies, such as AML and high-risk MDS, as well as metastatic/locally advanced solid tumors, including head and neck cancers. LYT-200 has displayed a favorable safety and tolerability profile in two ongoing Phase 1b clinical trials – one in AML and another in combination with BeiGene's tislelizumab in head and neck cancers. The Phase 1b clinical trial evaluating LYT-200 in relapsed/refractory AML and MDS patients is ongoing, and we expect additional data from the trial will be presented in a scientific forum in the fourth quarter of 2024. Also, the Phase 1b trial of LYT-200 in combination with tislelizumab in head and neck cancers is ongoing, with additional data expected in the fourth quarter of 2024. In 2024, the FDA granted LYT-200 Orphan Drug designation for the treatment of AML as well as Fast Track designation for the treatment of head and neck cancers.

Vedanta further advanced the development of a potential new category of oral therapies utilizing defined consortia of bacteria isolated from the human microbiome and grown from pure clonal cell banks. In May 2024, Vedanta announced that the first patient was dosed in the global Phase 3 RESTORATiVE303 clinical study of VE303, which is an orally administered defined bacterial consortium candidate that is being developed for the prevention of rCDI. The RESTORATiVE303 trial is evaluating the efficacy and safety of VE303 in patients with rCDI and is intended to form the basis for a BLA to be filed with the FDA. Vedanta announced that topline data are expected in 2026. In April 2024, Vedanta was awarded $3.9 million from CARB-X to advance Vedanta's VE707 preclinical development program for reducing colonization and preventing subsequent infections caused by multidrug-resistant organisms. Vedanta expects the initiation of a Phase 1 trial in 2025. Vedanta also progressed its Phase 2 COLLECTiVE202 clinical trial of VE202 for the treatment of UC, for Vedanta anticipates topline data in 2025.

Vor has continued to develop its platform for crafting Hematopoietic Stem Cell to enable targeted therapies post-transplant. In January 2024, Vor announced it had dosed the first patient in VBP301, its Phase 1/2, multicenter, open-label, first-in-human study of VCAR33^{ALLO} in patients with relapsed or refractory AML after standard-of-care transplant or a trem-cel transplant. Vor announced that it expects to release a VCAR33^{ALLO} clinical trial data update in the second half of 2024. In March 2024, Vor announced that the FDA had granted Fast Track designation and Orphan Drug designation to VCAR33^{ALLO}. In May 2024, Vor announced that the trem-cel clinical trial had been expanded to include patients diagnosed with MDS. Approximately 1,250 stem cell transplants occur annually in the US for patients with MDS and Vor's approach represents an important advancement in potentially transforming treatment of these blood cancers. Vor's trem-cel has the potential to enable the use of anti-CD33 therapies in those settings, and the company is exploring the potential use of trem-cel in combination with targeted therapies in these indications. Vor announced that it expects to provide a trem-cel clinical trial data update in the second half of 2024.

Sonde has continued to progress a voice-based artificial intelligence platform that detects changes in the sound of voice that are linked to health conditions – such as depression, anxiety and respiratory disease – to provide health tracking and monitoring. In March 2024, Sonde announced the publication of a new study that has validated the ability of the company's mental fitness vocal biomarker platform to reliably distinguish individuals with elevated mental health symptoms. The four-week cohort study revealed a statistically significant correlation between voice-based identification of increased or decreased mental health risk with the results of the M3 Checklist, a clinically validated mental health assessment. In the July post-period, Sonde launched Sonde Cognitive Fitness, which analyzes eight vocal characteristics from 30-second voice interactions to provide insight into one's cognitive state, helping people manage their mental well-being and productivity effectively.

Entrega has continued to progress its technology platform to enable the oral administration of biologics, vaccines and other drugs that are otherwise not efficiently absorbed when taken orally. Entrega's innovative approach uses a proprietary, customizable hydrogel dosage form to control local fluid microenvironments in the gastrointestinal tract in an effort to both enhance absorption and reduce the variability of drug exposure. Entrega has generated preclinical proof-of-concept data demonstrating administration of therapeutic peptides into the bloodstream of large animals.

In May 2024, **Akili** and Virtual Therapeutics, a company focused on improving mental health at scale using engaging, immersive games, announced the signing of a definitive merger agreement to form a diversified, leading digital health company. The merger closed in the July 2024 post-period, and Akili is now a wholly owned subsidiary of Virtual Therapeutics.

Cautionary Note Regarding Forward-Looking Statements

This Interim Management Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward looking statements contained in Section 27A of the U.S. Securities Act of 1933, as amended and Section 21E of the Exchange Act of 1934, as amended. All statements contained in this Interim Management Report that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation, statements that relate to our and our Founded Entities' therapeutic candidates, operational plans, future prospects, objectives, developments and, strategies and expectations, the progress and timing of clinical trials and data readouts, our intentions for the advancement of LYT-100 and its potential to treat IPF, our expectations as to potential earnings based on KarXT's future regulatory and commercial milestones, our expectations as to the achievement of clinical milestones across our Founded Entity program, the maintenance of our cash runway, and our commitment to realizing long-term value for our shareholders. These forward-looking statements are based on the Company's current expectations and are subject to known and unknown risks, uncertainties and other important factors that could cause actual results, performance and achievements to differ materially from current expectations, including, but not limited to, the following: our history of incurring significant operating losses since our inception; our ability to realize value from our Founded Entities; our need for additional funding to achieve our business goals, which may not be available and which may force us to delay, limit or terminate certain of our therapeutic development efforts; our limited information about and limited control or influence over our Non-Controlled Founded Entities; the lengthy and expensive process of preclinical and clinical drug development, which has an uncertain outcome and potential for substantial delays; potential difficulties with enrolling patients in clinical trials, which could delay our clinical development activities; side effects, adverse events or other safety risks which could be associated with our therapeutic candidates and delay or halt their clinical development; our ability to obtain regulatory approval for and commercialize our therapeutic candidates; our ability to compete with companies currently marketing or engaged in the development of treatments for indications within our programs are designed to target; our ability to realize the benefits of our collaborations, licenses and other arrangements; the impact of government laws and regulations; our ability to maintain and protect our intellectual property rights; our reliance on third parties, including clinical research organizations, clinical investigators and manufacturers; our vulnerability to natural disasters, global economic factors, geo-political actions and unexpected events; and the risks, uncertainties and other important factors described under the caption "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2023 filed with the SEC and in our other regulatory filings. These forward-looking statements are based on assumptions regarding the present and future business strategies of the Company and the environment in which it will operate in the future. Each forward-looking statement speaks only as at the date of this Interim Management Report. Except as required by law and regulatory requirements, we disclaim any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

1. Fisher, M., Nathan, S. D., Hill, C., Marshall, J., Dejonckheere, F., Thuresson, P., & Maher, T. M. (2017). Predicting Life Expectancy for Pirfenidone in Idiopathic Pulmonary Fibrosis. Journal of Managed Care & Specialty Pharmacy, 23(3-b Suppl), S17 -S24. https://doi.org/10.18553/jmcp.2017.23.3-b.s17

2 Dempsey, T., Payne, S. C., Sangaralingham, L. R., Yao, X., Shah, N., & Limper, A. H. (2021). Adoption of the Antifibrotic Medications Pirfenidone and Nintedanib for Patients with Idiopathic Pulmonary Fibrosis. Annals of the American Thoracic Society, 18(7), 1121–1128. https://doi.org/10.1513/annalsats.202007-901oc

3. Roche 2022 Annual Report and Boehringer Ingelheim 2022 Financial Results

Financial Review

Reporting Framework

You should read the following discussion and analysis together with our Condensed Consolidated Financial Statements, including the notes thereto, set forth elsewhere in this report. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business and financing our business, includes forward-looking statements that involve risks and uncertainties. You should read this discussion and analysis in conjunction with the risks identified in the “Risk Factor Annex" on pages 186 to 223 of our “Annual Report and Accounts 2023”, also included as Exhibit 15.1 to the Form 20-F for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission on April 25, 2024. As a result of many factors, our actual results could differ materially from the results described in or implied by these forward-looking statements.

Our unaudited Condensed Consolidated Financial Statements as of June 30, 2024, and for the six months ended June 30, 2024 and 2023, have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* as adopted for use in the UK and also comply fully with IAS 34 as issued by the International Accounting Standards Board ("IASB"). This report should be read in conjunction with the Group’s 2023 Annual Reports and Accounts as of and for the year ended December 31, 2023.

The following discussion contains references to the Consolidated Financial Statements of PureTech Health plc (the "Parent") and its consolidated subsidiaries, together "the Group". These financial statements consolidate PureTech Health plc’s subsidiaries and include the Group’s interest in associates by way of equity method, as well as investments held at fair value. Subsidiaries are those entities over which the Group maintains control. Associates are those entities in which the Group does not have control for financial accounting purposes but maintains significant influence over financial and operating policies. Where the Group has neither control nor significant influence for financial accounting purposes, or when the investment in associates is not in instruments that would be considered equity for accounting purposes, we recognize our holdings in such entity as an investment at fair value with changes in fair value being recorded in the Condensed Consolidated Statement of Comprehensive Income/(Loss). For purposes of our Condensed Consolidated Financial Statements, each of our Founded Entities[1] are considered to be either a “subsidiary", an “associate” or an "investment held at fair value" depending on whether the Group controls or maintains significant influence over the financial and operating policies of the respective entity at the respective period end date, and depending on the form of the investment. For additional information regarding the accounting treatment of these entities, see Note 1. Material Accounting Policies to our Consolidated Financial Statements included in our 2023 Annual Report and Accounts. For additional information regarding our operating structure, see “Basis of Presentation and Consolidation” below.

Business Background and Results Overview

The business background is discussed above in the Interim Management Report, which describes the business development of our Wholly-Owned Programs[2] and Founded Entities.

Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more therapeutic candidates of our wholly-owned or Controlled Founded Entities[3], which may or may not occur. Historically, certain of our Founded Entities therapeutics received marketing authorization from the FDA, but our Wholly-Owned Programs have not generated revenue from product sales to date.

Furthermore, our ability to achieve profitability will largely rely on successfully monetizing our investment in Founded Entities, including the sale of rights to royalties, entering into strategic partnerships, and other related business development activities.

We deconsolidated a number of our Founded Entities, specifically Vedanta Biosciences, Inc. ("Vedanta") in March 2023, Sonde Health Inc. ("Sonde") in 2022, Karuna Therapeutics, Inc. ("Karuna"), Vor Biopharma Inc. ("Vor") and Gelesis in 2019, and Akili in 2018.

Any deconsolidation affects our financials in the following manner:

- our ownership interest does not provide us with a controlling financial interest;
- we no longer control the Founded Entity's assets and liabilities, and as a result, we derecognize the assets, liabilities and non-controlling interests related to the Founded Entity from our financial statements;
- we record our retained investment in the Founded Entity at fair value; and
- the resulting amount of any gain or loss is recognized.

We anticipate our expenses to continue to increase proportionally in connection with execution of our strategy around creating and supporting Founded Entities, as well as the ongoing development activities related mostly to the advancement into late-stage studies of the clinical programs within our Wholly-Owned Programs. We also expect that our expenses and capital requirements will increase in the near to mid-term as we:

- continue our research and development efforts;
- seek regulatory approvals for any therapeutic candidates that successfully complete clinical trials; and
- add clinical, scientific, operational, financial and management information systems and personnel, including personnel to support our therapeutic development and potential future commercialization claims.

More specifically, we anticipate that our internal research and development spend will increase in the foreseeable future as we may initiate additional clinical studies for our existing therapeutic candidates, evaluate new therapeutic candidates for investment and further development, progress additional therapeutic candidates into the clinic, as well as advance our technology platforms.

1. Founded Entities are comprised of the entities which the Company incorporated and announced the incorporation as a Founded Entity externally. It includes certain of the Company's wholly-owned subsidiaries which have been announced by the Company as Founded Entities, Controlled Founded Entities[3] and deconsolidated Founded Entities. As of June 30, 2024, deconsolidated Founded Entities included Akili Interactive Labs, Inc., Karuna Therapeutics, Inc., Vor Bio, Inc., Gelesis, Inc., Sonde Health, Inc., and Vedanta Biosciences, Inc.
2. Wholly-Owned Programs are comprised of the Company's current and future therapeutic candidates and technologies that are developed by the Company's wholly-owned subsidiaries, whether they were announced as a Founded Entity or not, and will be advanced through with either the Company's funding or non-dilutive sources of financing. As of June 30 ,2024, Wholly-Owned Programs were developed by the wholly-owned subsidiaries including PureTech LYT, Inc., PureTech LYT 100, Inc. and Gallop Oncology, Inc. and included primarily the programs LYT-100, and LYT-200.
3. Controlled Founded Entities are comprised of the Company's consolidated operational subsidiaries that currently have already raised third-party dilutive capital. As of June 30, 2024, Controlled Founded Entities included Entrega, Inc. and Seaport Therapeutics.

In addition, with respect to our Founded Entities' programs, we anticipate that we will continue to fund a small portion of development costs by strategically participating in such companies' financings when we believe participation in such financings is in the best interests of our shareholders. The form of any such participation may include investment in public or private financings, collaboration, partnership arrangements, and/or licensing arrangements, among others. Our management and strategic decision makers consider the future funding needs of our Founded Entities and evaluate the needs and opportunities for returns with respect to each of these Founded Entities routinely and on a case-by-case basis.

As a result, we may need substantial additional funding in the future, following the period described below in the Funding Requirement section, to support our continuing operations and pursue our growth strategy until such time as we can generate sufficient revenue from product sales to support our operations, if ever. Until such time, we expect to finance our operations through a combination of monetization of our interests in our Founded Entities, collaborations with third parties, or other sources. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we are unable to raise capital or enter into such agreements, as and when needed, we may have to delay, scale back or discontinue the development and commercialization of one or more of our wholly-owned therapeutic candidates.

Measuring Performance

The Financial Review discusses our operating and financial performance, our cash flows and liquidity as well as our financial position and our resources. The results of current period are compared with the results of the comparative period in the prior year.

Reported Performance

Reported performance considers all factors that have affected the results of our business, as reflected in our Condensed Consolidated Financial Statements.

Core Performance

Core performance measures are alternative performance measures which are adjusted and non-IFRS measures. These measures cannot be derived directly from our Condensed Consolidated Financial Statements. We believe that these non-IFRS performance measures, when provided in combination with reported performance, will provide investors, analysts and other stakeholders with helpful complementary information to better understand our financial performance and our financial position from period to period. The measures are also used by management for planning and reporting purposes. The measures are not substitutable for IFRS financial information and should not be considered superior to financial information presented in accordance with IFRS.

Cash flow and liquidity	
PureTech Level cash, cash equivalents and short-term investments	**Measure type:** Core performance **Definition:** Cash and cash equivalents and short-term investments held at PureTech Health plc and our wholly-owned subsidiaries. **Why we use it:** PureTech Level cash, cash equivalents and short-term investments is a measure that provides valuable additional information with respect to cash, cash equivalents and short-term investments available to fund the Wholly-Owned Programs and make certain investments in Founded Entities.

Recent Developments (subsequent to June 30, 2024)

The Group has evaluated subsequent events after June 30, 2024 up to the date of issuance, August 28, 2024, of the Condensed Consolidated Financial Statements, and has not identified any recordable or disclosable events not otherwise reported in these unaudited Condensed Consolidated Financial Statements or notes thereto.

Financial Highlights

The following is the reconciliation of the amounts appearing in our Condensed Consolidated Statement of Financial Position to the non-IFRS alternative performance measure described above:

(in thousands)		**June 30 2024**	December 31, 2023
Cash and cash equivalents		**308,478**	191,081
Short-term investments		**191,938**	136,062
Consolidated cash, cash equivalents and short-term investments		**500,416**	327,143
Less: cash and cash equivalents held at non-wholly owned subsidiaries		**(99,778)**	(1,097)
PureTech Level cash, cash equivalents and short-term investments	**$**	**400,638**	$ 326,046

Basis of Presentation and Consolidation

Our Condensed Consolidated Financial Statements consolidate the financial information of PureTech Health plc, as well as its subsidiaries, and include our interest in associates and investments held at fair value, and are reported in reportable segments as described below.

Basis for Segmentation

Our Directors are our strategic decision-makers. Our operating segments are determined based on the financial information provided to our Directors periodically for the purposes of allocating resources and assessing performance. We have determined each of our Wholly-Owned Programs represents an operating segment, and we have aggregated each of these operating segments into one reportable segment, the Wholly-Owned Programs segment. Each of our Controlled Founded Entities represents an operating segment. We aggregate each Controlled Founded Entity operating segment into one reportable segment, the Controlled Founded Entities segment. The aggregation is based on the high level of operational and financial similarities of the operating segments. For our entities that do not meet the definition of an operating segment, we present this information in the Parent Company and Other column in our segment footnote to reconcile the information in the segment discussion to our Condensed Consolidated Financial Statements. Substantially all of our revenue and profit generating activities are generated within the United States and, accordingly, no geographical disclosures are provided.

There was no change to the reportable segments in 2024, except for the changes to the composition of the reportable segments as described below.

In January 2024, we launched two new Founded Entities (Seaport Therapeutics "Seaport" and Gallop Oncology "Gallop") to advance certain programs within the Wholly-Owned Programs segment. The financial results of these programs were included in the Wholly-Owned Programs segment as of and for the year ended December 31, 2023. Upon raising dilutive third-party financing in April 2024, the financial results of Seaport are included within the Controlled Founded Entities segment as the Group still maintains control over this entity. As of June 30, 2024, Alivio became dormant and did not meet the definition of operating segment. The financial results of this entity were removed from the Wholly-Owned Programs segment and are included in the Parent Company and Other column. The corresponding information for 2023 has been restated to include Alivio in the Parent Company and Other column, so that the segment disclosures are presented on a comparable basis.

Results of Operations

The following table, which has been derived from our unaudited financial statements for the six months ended June 30, 2024 and 2023, included herein, summarizes our results of operations for the periods indicated, together with the changes in those items:

	Six Months Ended June 30,		
(in thousands)	**2024**	2023	Change (2023 to 2024)
Contract revenue	**$ —**	$ 750	$ (750)
Grant revenue	**288**	2,400	(2,112)
Total revenue	**288**	3,150	(2,862)
Operating expenses:			
General and administrative expenses	**(27,758)**	(26,166)	(1,592)
Research and development expenses	**(38,928)**	(53,146)	14,218
Operating income/(loss)	**(66,398)**	(76,163)	9,765
Other income/(expense):			
Gain/(loss) on deconsolidation of subsidiary	**—**	61,787	(61,787)
Gain/(loss) on investments held at fair value	**3,882**	7,818	(3,936)
Realized gain/(loss) on sale of investments	**151**	—	151
Gain/(loss) on investments in notes from associates	**11,612**	(6,045)	17,657
Other income/(expense)	**548**	(1,134)	1,682
Other income/(expense)	**16,193**	62,426	(46,233)
Net finance income/(costs)	**(1,468)**	5,316	(6,784)
Share of net income/(loss) of associates accounted for using the equity method	**(3,357)**	(5,324)	1,967
Income/(loss) before income taxes	**(55,030)**	(13,744)	(41,286)
Tax benefit/(expense)	**6,147**	(11,807)	17,953
Net income/(loss) including non-controlling interest	**(48,883)**	(25,551)	(23,333)
Net income/(loss) attributable to the Owners of the Group	**$ (41,773)**	$ (25,004)	$ (16,768)

Comparison of the Six Months Ended June 30, 2024 and 2023

Total Revenue

(in thousands)	Six Months Ended June 30, 2024	2023	Change
Contract Revenue:			
Controlled Founded Entities	$ —	$ 750	$ (750)
Total Contract Revenue	—	750	(750)
Grant Revenue:			
Wholly-Owned Programs	288	135	153
Parent Company and Other	—	2,265	(2,265)
Total Grant Revenue	288	2,400	(2,112)
Total Revenue	$ 288	$ 3,150	$ (2,862)

Our total revenue was $0.3 million for the six months ended June 30, 2024, a decrease of $2.9 million, or 91 percent compared to the six months ended June 30, 2023. The decrease in revenue was primarily due to the $2.3 million reduction in Parent Company and Other revenue which was mostly a result of the deconsolidation of Vedanta from our financial statements in March 2023, as well as $0.7 million reduction due to the completion of a revenue agreement for Entrega, one of our Controlled Founded Entities.

Research and Development Expenses

(in thousands)	Six Months Ended June 30, 2024	2023	Change
Research and Development Expenses:			
Wholly-Owned Programs	$ (32,981)	$ (45,139)	$ (12,158)
Controlled Founded Entities	(5,710)	(368)	5,342
Parent Company and Other	(237)	(7,640)	(7,403)
Total Research and Development Expenses:	$ (38,928)	$ (53,146)	$ (14,218)

Our research and development expenses were $38.9 million for the six months ended June 30, 2024, a decrease of $14.2 million, or 27 percent compared to the six months ended June 30, 2023. The decrease in research and development expenses was driven by 1) our reduced spending on clinical and CMC activities related to our wholly-owned programs due to the prioritization of research and development projects, whereby the Group elected to focus on programs where it believes it has the highest probability of success and reduced efforts in research and clinical stage projects where such probability of success is lower, 2) the decrease in employee related costs from lower headcount; and 3) the deconsolidation of Vedanta in March 2023 which resulted in us no longer including Vedanta's research and development expenses in our Condensed Consolidated Financial Statements.

Wholly-Owned Programs: a decrease of $12.2 million in research and development expenses. $9.2 million of the decrease was due to 1) transfer of GLYPH platform, the related clinical programs and employees to Seaport, the expense of which is included in Controlled Founded Entities; 2) the prioritization of research and development projects as discussed above; and 3) the decrease in employee related costs from lower headcount. The remaining decrease was due to a $1.0 million decrease in asset impairment costs, a $0.6 million decrease in depreciation expense and a $1.4 million decrease in legal and consulting services in the six months ended June 30, 2024.

Controlled Founded Entities: an increase of $5.3 million in research and development expense due to the transfer of GLYPH platform, the related clinical programs and employees to Seaport.

Parent Company and Other: a decrease of $7.4 million due to the deconsolidation of Vedanta in March 2023, and the winding down of the Alivio program and the entity became dormant as of June 30, 2024.

General and Administrative Expenses

(in thousands)	Six Months Ended June 30, 2024	2023	Change
General and Administrative Expenses:			
Wholly-Owned Programs	$ (4,450)	$ (6,981)	$ (2,531)
Controlled Founded Entities	(6,548)	(237)	6,311
Parent Company and Other	(16,759)	(18,947)	(2,188)
Total General and Administrative Expenses	$ (27,758)	$ (26,166)	$ 1,592

Our general and administrative expenses were $27.8 million for the six months ended June 30, 2024, an increase of $1.6 million, or 6 percent compared to the six months ended June 30, 2023. The increase was primarily due to a $4.0 million increase in stock based compensation largely resulting from stock awards granted to Seaport employees, offset by a $2.9 million decrease from the deconsolidation of Vedanta in March 2023.

Wholly-Owned Programs: a decrease of $2.5 million in general and administrative expenses was primarily driven by a decrease of $2.0 million in management fees charged by the parent company.

Controlled Founded Entity: an increase of $6.3 million in general and administrative expenses was primarily driven by the establishment and operation of Seaport including a $1.6 million increase in legal and advisory fees, $3.2 million increase in stock based compensation expense and a $1.3 million increase in payroll.

Parent Company and Other: a $2.2 million decrease in general and administrative expenses was primarily attributable to a $2.9 million decrease due to the deconsolidation of Vedanta in March 2023, a $1.5 million decrease in legal advisory costs primarily related to Gelesis notes and Merger Agreement in 2023, partially offset by a $2.2 million increase in management fee.

Total Other Income/(Expense)

Total other income was $16.2 million for the six months ended June 30, 2024 compared to $62.4 million for the six months ended June 30, 2023, a decrease of $46.2 million, or 74 percent. The decrease in other income was primarily attributable to the following:

- one time gain of $61.8 million recognized in 2023 as a result of the deconsolidation of Vedanta in March 2023, reflecting a decrease in other income of $61.8 million.
- a gain of $11.6 million in investments in notes from associates for the six months ended June 30, 2024 compared to a loss of $6.0 million for the six months ended June 30, 2023, reflecting an increase in other income of $17.7 million.

Net Finance Income/(Costs)

Net finance costs was $1.5 million for the six months ended June 30, 2024, compared to net finance income of $5.3 million for the six months ended June 30, 2023, an increase in net finance cost of $6.8 million or 128 percent. The increase was primarily attributable to the following:

- an increase in non-cash interest expense of $6.8 million related to the sale of future royalties liability due to the six months' accretion of the liability as well as the change to the liability based on the updated cash flow forecast in the six months ended June 30, 2024 as compared to the four months' accretion of the liability for the six months ended June 30, 2023.
- an increase in finance costs of $4.3 million related to changes in the fair value of subsidiary preferred share liabilities: an income of $2.6 million for the reduction in fair value of Vedanta and Follica preferred share liability for the six months ended June 30, 2023 compared to an expense of $1.6 million for the increase in fair value of Seaport preferred share liability for the six months ended June 30, 2024.

The above increases in finance costs were partially offset by an increase in interest income of $4.0 million for the six months ended June 30, 2024 due to increased cash and cash equivalent and short-term investment balances as well as higher interest rates earned for the period.

Share of Net Income/(Loss) of Associates Accounted for Using the Equity Method

For the six months ended June 30, 2024, the share in net loss of associates reported under the equity method was $3.4 million as compared to the share in net loss of associates of $5.3 million for the six months ended June 30, 2023, a decrease in loss of $2.0 million or 37 percent. The decrease was primarily attributable to a decrease in Gelesis losses as it went bankrupt in October 2023 and the carrying value of our investment in Gelesis was reduced to zero as of December 31, 2023.

Taxation

For the six months ended June 30, 2024, the income tax benefit was $6.1 million, compared to an income tax expense of $11.8 million for the six months ended June 30, 2023. The decrease in income tax expense was primarily due to recording an income tax benefit for the six months ended June 30, 2024, related to generated tax credits, recognizing a capital loss from the Akili investment, partially offset by a discrete income tax expense related to the market-to-market investment adjustments, compared to the recording of an income tax expense in the six months ended June 30, 2023 due to nonrecurring events of the sale of future royalties to Royalty Pharma, partially offset by the deconsolidation of Vedanta.

Material Accounting Policies and Significant Judgments and Estimates

Our financial review of the financial condition and results of operations is based on our interim financial statements, which we have prepared in accordance with International Accounting Standards (“IAS”) *34 Interim Financial Reporting* as adopted for use in the UK and also comply fully with IAS 34 as issued by the International Accounting Standards Board (“IASB”). In the preparation of these financial statements, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions or conditions.

Our estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

The accounting policies most critical to the judgments and estimates used in the preparation of our financial statements have not changed from those disclosed in Note 1, Material Accounting policies of the accompanying notes to the Consolidated Financial Statements included in our 2023 Annual Report and Accounts except for the adoption of new and amended IFRS Accounting Standards as set out in Note 2. New Standards and Interpretations to our Condensed Consolidated Financial Statements.

Cash Flow and Liquidity

Our cash flows may fluctuate and are difficult to forecast and will depend on many factors, including:

- the expenses incurred in the development of wholly-owned and Controlled Founded Entity therapeutic candidates;
- the revenue, if any, generated by wholly-owned and Controlled-Founded Entity therapeutic candidates;
- the revenue, if any, generated from licensing and royalty agreements with Founded Entities;
- the financing requirements of the Wholly-Owned Programs and our Founded Entities;
- the investing activities including the monetization, through sale, of shares held in our public Founded Entities; and
- repurchases of our shares

As of June 30, 2024, we had consolidated cash and cash equivalents of $308.5 million and short term investments of $191.9 million. As of June 30, 2024, we had PureTech Level cash, cash equivalents and short-term investments of $400.6 million. PureTech Level cash, cash equivalents and short term investments is a non-IFRS measure (for a definition of PureTech Level cash, cash equivalents and short term investments and a reconciliation to the IFRS number, see the section Measuring Performance earlier in this Financial review).

Cash Flows

The following table summarizes our cash flows for each of the periods presented:

	Six Months Ended June 30,		
(in thousands)	**2024**	2023	Change
Net cash used in operating activities	**$ (80,014)**	$ (65,133)	$ (14,881)
Net cash provided by investing activities	**236,512**	173,885	62,627
Net cash provided by (used in) financing activities	**(39,101)**	91,897	(130,998)
Net increase (decrease) in cash and cash equivalents	**$ 117,397**	$ 200,649	$ (83,252)

Operating Activities

Net cash used in operating activities was $80.0 million for the six months ended June 30, 2024, as compared to $65.1 million for the six months ended June 30, 2023, an increase of $14.9 million in net cash used in operating activities. The increase in cash outflows is primarily attributable to $15.1 million increase in estimated tax payments related to the sale of the Karuna shares and $19.0 million change in operating assets and liabilities including $10.8 million change in operating assets largely related to accounts receivable and $8.2 million change in operating liabilities due to the timing of payments in the normal course of business, partially offset by $9.8 million decrease in operating loss and $7.2 million increase in cash receipts from interest income.

Investing Activities

Net cash provided by investing activities was $236.5 million for the six months ended June 30, 2024, as compared to net cash provided by investing activities of $173.9 million for the six months ended June 30, 2023, an increase of $62.6 million in net cash provided by investing activities.

The increase in the net cash inflow was primarily attributed to the $292.7 million proceeds received from the sale of Karuna shares in 2024, and two investing cash outflows in 2023 that did not occur in 2024 ($15.4 million investments in subsidiary notes, $13.8 million cash deduction from the deconsolidation of Vedanta) partially offset by increased cash outflow from short-term investment activities (redemptions, net of purchases) amounting to $258.8 million.

Financing Activities

Net cash used by financing activities was $39.1 million for the six months ended June 30, 2024, as compared to net cash provided by financing activities of $91.9 million for the six months ended June 30, 2023, a decrease of $131.0 million in net cash from financing activities. The decrease in net cash from financing activities was primarily attributable to $100.0 million received during the six months ended June 30, 2023 in respect of the sale of future Karuna royalties, and no such proceeds received during the six months ended June 30, 2024. The decrease is further attributable to the $101.6 million cash used for the purchase of shares in connection with the Tender Offer (see note 10. Equity). The decreases were partially offset by an increase of $68.1 million proceeds received from the sale of preferred shares of Seaport.

Funding Requirements

We have incurred operating losses since inception. Based on our current plans, we believe our existing financial assets as of June 30, 2024 will be sufficient to fund our operations and capital expenditure requirements for at least three years. We expect to incur substantial additional expenditures in the near term to support our ongoing and future activities. We anticipate we will continue to incur net operating losses for the foreseeable future to support our existing Founded Entities and newly launched Founded Entities (Seaport Therapeutics and Gallop Oncology), and our strategy around creating and supporting other Founded Entities, should they require it, to reach significant development milestones over the period of the assessment in conjunction with our external partners. We also expect to incur significant costs to advance our Wholly-Owned Programs, to continue research and development efforts, to discover and progress new therapeutic candidates and to fund the Group's operating costs for at least three years. Our ability to fund our therapeutic development and clinical operations as well as ability to fund our existing, newly founded and future Founded Entities, will depend on the amount and timing of cash received from planned financings, monetization of shares of public Founded Entities and potential business development activities. Our future capital requirements will depend on many factors, including:

- the costs, timing and outcomes of clinical trials and regulatory reviews associated with our wholly-owned therapeutic candidates;
- the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property related claims;
- the emergence of competing technologies and products and other adverse marketing developments;
- the effect on our therapeutic and product development activities of actions taken by the U.S. Food and Drug Administration ("FDA"), the European Medicines Agency ("EMA") or other regulatory authorities;
- the number and types of future therapeutics we develop and support with the goal of commercialization;
- the costs, timing and outcomes of identifying, evaluating, and investing in technologies and drug candidates to develop as Wholly-Owned Programs or as Founded Entities;
- the costs of commercialization activities for any of the therapeutic candidates within our Wholly Owned Program that receive marketing approval, including the costs and timing of establishing therapeutic sales, marketing, distribution and manufacturing capabilities, or entering into strategic collaborations with third parties to leverage or access these capabilities; and
- the success of our Founded Entities and their need for additional capital.

A change in the outcome of any of these or other variables with respect to the development of any of our wholly-owned therapeutic candidates could significantly change the costs and timing associated with the development of that therapeutic candidate.

Further, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development activities. We currently have no credit facility or other committed sources of capital beyond our existing financial assets. Because of the numerous risks and uncertainties associated with the development and commercialization of our wholly-owned therapeutic candidates, we have only a general estimate of the amounts of increased capital outlays and operating expenditures associated with our current and anticipated therapeutic development programs and these may change in the future.

Exhibit 99.3

Condensed Consolidated Statement of Comprehensive Income/(Loss) (Unaudited)

For the six months ended June 30

	Note	**2024 $000s**	2023 $000s
Contract revenue		**—**	750
Grant revenue		**288**	2,400
Total revenue		**288**	3,150
Operating expenses:			
General and administrative expenses		**(27,758)**	(26,166)
Research and development expenses		**(38,928)**	(53,146)
Operating income/(loss)		**(66,398)**	(76,163)
Other income/(expense):			
Gain/(loss) on deconsolidation of subsidiary	4	**—**	61,787
Gain/(loss) on investments held at fair value	4	**3,882**	7,818
Realized gain/(loss) on sale of investments	4	**151**	—
Gain/(loss) on investments in notes from associates	6	**11,612**	(6,045)
Other income/(expense)		**548**	(1,134)
Other income/(expense)		**16,193**	62,426
Finance income/(costs):			
Finance income	8	**11,732**	7,731
Finance costs – contractual	8	**(1,036)**	(1,338)
Finance income/(costs) – fair value accounting	8	**(1,613)**	2,650
Finance costs – non cash interest expense related to sale of future royalties	12	**(10,551)**	(3,726)
Net finance income/(costs)		**(1,468)**	5,316
Share of net income/(loss) of associates accounted for using the equity method	5	**(3,357)**	(5,324)
Income/(loss) before taxes		**(55,030)**	(13,744)
Tax benefit/(expense)	18	**6,147**	(11,807)
Income/(loss) for the period		**(48,883)**	(25,551)
Other comprehensive income/(loss):			
Items that are or may be reclassified as profit or loss			
Equity-accounted associate – share of other comprehensive income (loss)		**—**	92
Total other comprehensive income/(loss)		**—**	92
Total comprehensive income/(loss) for the period		**(48,883)**	(25,458)
Income/(loss) attributable to:			
Owners of the Group		**(41,773)**	(25,004)
Non-controlling interests		**(7,111)**	(546)
		(48,883)	(25,551)
Comprehensive income/(loss) attributable to:			
Owners of the Group		**(41,773)**	(24,912)
Non-controlling interests		**(7,111)**	(546)
		(48,883)	(25,458)
		$	$
Earnings/(loss) per share:			
Basic earnings/(loss) per share	9	**(0.15)**	(0.09)
Diluted earnings/(loss) per share	9	**(0.15)**	(0.09)

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Financial Position (Unaudited)

As of

	Note	June 30, 2024 $000s	December 31, 2023 $000s
Assets			
Non-current assets			
Property and equipment, net		**8,393**	9,536
Right of use asset, net		**8,943**	9,825
Intangible assets, net		**906**	906
Investments held at fair value	4	**29,030**	317,841
Investment in associates – equity method	5	**—**	3,185
Investments in notes from associates	6	**16,212**	4,600
Deferred tax assets		**6,778**	—
Other non-current assets		**878**	878
Total non-current assets		**71,140**	346,771
Current assets			
Trade and other receivables		**2,055**	2,376
Income tax receivable		**—**	11,746
Prepaid expenses		**4,703**	4,309
Other financial assets		**1,636**	1,628
Short-term investments		**191,938**	136,062
Cash and cash equivalents		**308,478**	191,081
Total current assets		**508,810**	347,201
Total assets		**579,950**	693,973
Equity and liabilities			
Equity			
Share capital		**4,860**	5,461
Share premium		**290,262**	290,262
Treasury stock		**(46,892)**	(44,626)
Merger reserve		**138,506**	138,506
Translation reserve		**182**	182
Other reserve	10	**(8,541)**	(9,538)
(Accumulated deficit)/Retained earnings		**(62,510)**	83,820
Equity attributable to the owners of the Group		**315,867**	464,066
Non-controlling interests	14	**(9,661)**	(5,835)
Total equity		**306,206**	458,232
Non-current liabilities			
Sale of future royalties liability, non-current	12	**117,458**	110,159
Deferred tax liability		**—**	52,462
Lease liability, non-current		**16,422**	18,250
Liability for share-based awards	7	**1,550**	3,501
Total non-current liabilities		**135,430**	184,371
Current liabilities			
Lease liability, current		**3,574**	3,394
Trade and other payables	15	**31,445**	44,107
Sale of future royalties liability, current	12	**3,252**	—
Income taxes payable		**26,135**	—
Subsidiary:			
Notes payable		**4,027**	3,699
Preferred shares	11, 13	**69,882**	169
Total current liabilities		**138,314**	51,370
Total liabilities		**273,744**	235,741
Total equity and liabilities		**579,950**	693,973

Please refer to the accompanying Notes to the consolidated financial information. Registered number: 09582467.
The Consolidated Financial Statements were approved by the Board of Directors and authorized for issuance on August 28, 2024 and signed on its behalf by:

Bharatt Chowrira
Chief Executive Officer
August 28, 2024

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30

		Share Capital			Treasury Shares								
	Note	Shares	Amount $000s	Share premium $000s	Shares	Amount $000s	Merger reserve $000s	Translation reserve $000s	Other reserve $000s	Retained earnings/ (accumulated deficit) $000s	Total Parent equity $000s	Non-controlling interests $000s	Total Equity $000s
Balance January 1, 2023		**289,161,653**	**5,455**	**289,624**	**(10,595,347)**	**(26,492)**	**138,506**	**89**	**(14,478)**	**149,516**	**542,220**	**5,369**	**547,589**
Net income/(loss)		—	—	—	—	—	—	—	—	(25,004)	(25,004)	(546)	(25,551)
Other comprehensive income/(loss) for the period		—	—	—			—	92	—	—	92	—	92
Total comprehensive income/(loss) for the period		**—**	**—**	**—**	**—**	**—**	**—**	**92**	**—**	**(25,004)**	**(24,912)**	**(546)**	**(25,458)**
Deconsolidation of Subsidiary	4	—	—	—	—	—	—	—	—	—	—	(9,085)	(9,085)
Exercise of stock options	7	306,506	6	638	149,226	327	—	—	(10)	—	961	—	961
Purchase of Treasury stock	10	—	—	—	(2,510,887)	(7,276)	—	—	—	—	(7,276)	—	(7,276)
Equity-settled share-based awards	7	—	—	—	—	—	—	—	1,465	—	1,465	277	1,742
Settlement of restricted stock units	7	—	—	—	161,678	337	—	—	87	—	424	—	424
Expiration of share options in subsidiary		—	—	—	—	—	—	—	786	—	786	(786)	—
Other		—	—	—	—	—	—	—	—	—	—	(6)	(6)
Balance June 30, 2023		**289,468,159**	**5,461**	**290,262**	**(12,795,330)**	**(33,105)**	**138,506**	**182**	**(12,149)**	**124,512**	**513,669**	**(4,778)**	**508,891**
Balance January 1, 2024		**289,468,159**	**5,461**	**290,262**	**(17,614,428)**	**(44,626)**	**138,506**	**182**	**(9,538)**	**83,820**	**464,066**	**(5,835)**	**458,232**
Net income/(loss)		—	—	—	—	—	—	—	—	(41,773)	(41,773)	(7,111)	(48,883)
Total comprehensive income/(loss) for the period		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(41,773)**	**(41,773)**	**(7,111)**	**(48,883)**
Exercise of stock options	7	—	—	—	412,729	1,041	—	—	(146)	—	895	—	895
Repurchase and cancellation of ordinary shares from Tender Offer	10	(31,540,670)	(600)	—	—	—	—	—	600	(104,558)	(104,558)	—	(104,558)
Purchase of Treasury stock	10	—	—	—	(1,903,990)	(4,819)	—	—	—	—	(4,819)	—	(4,819)
Equity-settled share-based awards expense	7	—	—	—	—	—	—	—	754	—	754	3,285	4,039
Settlement of restricted stock units	7	—	—	—	599,512	1,512	—	—	(211)	—	1,301	—	1,301
Expiration of share options in subsidiary		—	—	—	—	—	—	—	1	—	1	(1)	—
Balance June 30, 2024		**257,927,489**	**4,860**	**290,262**	**(18,506,177)**	**(46,892)**	**138,506**	**182**	**(8,541)**	**(62,510)**	**315,867**	**(9,661)**	**306,206**

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30

	Note	2024 $000s	2023 $000s
Cash flows from operating activities			
Income/(loss) for the period		**(48,883)**	(25,551)
Adjustments to reconcile income/(loss) for the period to net cash used in operating activities:			
Non-cash items:			
Depreciation and amortization		**1,814**	3,061
Share-based compensation expense	7	**4,648**	1,256
(Gain)/loss on investment held at fair value	4	**(3,882)**	(7,818)
Realized gain on sale of investments	4	**(151)**	—
Gain on deconsolidation of subsidiary	4	**—**	(61,787)
Share of net loss of associates accounted for using the equity method	5	**3,357**	5,324
(Gain)/loss on investments in notes from associates	6	**(11,612)**	6,045
(Gain)/loss on disposal of assets		**(23)**	522
Impairment of fixed assets		**45**	1,066
Income taxes, net	18	**(6,147)**	11,807
Finance (income)/costs, net	8	**1,468**	(5,316)
Changes in operating assets and liabilities:			
Trade and other receivables		**320**	9,243
Prepaid expenses		**(394)**	1,484
Deferred revenue		**—**	(283)
Trade and other payables	15	**(16,883)**	(9,318)
Other		**—**	964
Income taxes paid		**(15,213)**	(150)
Interest received		**12,196**	5,444
Interest paid		**(675)**	(1,127)
Net cash used in operating activities		**(80,014)**	(65,133)
Cash flows from investing activities:			
Purchase of property and equipment		**—**	(70)
Proceeds from sale of property and equipment		**188**	590
Investment in convertible notes and warrants from associates	7	**—**	(15,350)
Sale of investments held at fair value	4	**292,672**	—
Short-term loan to associate		**660**	—
Repayment of short-term loan from associate		**(660)**	—
Cash derecognized upon loss of control over subsidiary (see table below)	4	**—**	(13,784)
Purchases of short-term investments		**(213,035)**	—
Proceeds from maturity of short-term investments		**156,687**	202,500
Net cash provided by investing activities		**236,512**	173,885
Cash flows from financing activities:			
Receipt of cash from sale of future royalties	12	**—**	100,000
Issuance of subsidiary preferred Shares	11	**68,100**	—
Payment of lease liability		**(1,648)**	(1,764)
Exercise of stock options		**895**	961
Repurchase of ordinary shares	10	**(101,629)**	—
Purchase of treasury stock	10	**(4,819)**	(7,276)
Other		**—**	(23)
Net cash provided by (used in) financing activities		**(39,101)**	91,897
Net increase (decrease) in cash and cash equivalents		**117,397**	200,649
Cash and cash equivalents at beginning of year		**191,081**	149,866
Cash and cash equivalents at end of period		**308,478**	350,515
Supplemental disclosure of non-cash investment and financing activities:			
Purchase of intangible assets not yet paid in cash		**—**	200
Repurchase of ordinary shares not yet paid in cash		**2,929**	—
Settlement of restricted stock units through issuance of equity		**1,301**	424

Supplemental disclosure of non-cash investment and financing activities (continued):

Assets, Liabilities and non-controlling interests in deconsolidated subsidiary

	2023 $000s
Trade and other receivables	(702)
Prepaid assets	(3,516)
Property, plant and equipment, net	(8,092)
Right of use asset, net	(2,477)
Trade and other Payables	15,078
Deferred revenue	1,902
Lease liabilities (including current potion)	4,146
Long-term loan (including current portion)	15,446
Subsidiary preferred shares and warrants	24,568
Other assets and liabilities, net	(323)
Non-controlling interest	9,085
	55,115
Investment retained in deconsolidated subsidiary	20,456
Gain on deconsolidation	(61,787)
Cash in deconsolidated subsidiary	13,784

The accompanying notes are an integral part of these financial statements.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

(Amounts in thousands, except share and per share data, or exercise price and conversion price)

1. General information

Description of Business

PureTech Health plc (the “Parent”) is a public biotherapeutics company dedicated to changing the treatment paradigm for devastating diseases. It is incorporated, domiciled and registered in the United Kingdom (“UK”). The registered number is 09582467 and the registered address is 13th Floor, One Angel Court, London, EC2R 7HJ, United Kingdom.

The Parent and its subsidiaries are together referred to as the “Group”. The interim consolidated financial statements of the Group (the "Condensed Consolidated Financial Statements" or the “Interim Financial Statements”) consolidate those of the Parent and its subsidiaries.

The accounting policies are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended IFRS Accounting Standards as set out below in Note 2. New Standards and Interpretations.

Basis of accounting

These Interim Financial Statements have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting as adopted for use in the UK and also comply fully with IAS 34 as issued by the International Accounting Standards Board ("IASB"). The Interim Financial Statements should be read in conjunction with the Group’s Consolidated Financial Statements as of and for the year ended December 31, 2023. The Interim Financial Statements do not include all the information required for a complete set of financial statements in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial information included in the Annual Report and Accounts for the year ended December 31, 2023, which was prepared in accordance with UK-adopted International Financial Reporting Standards and also complied fully with International Financial Reporting Standards as issued by the IASB. Certain amounts in the Condensed Consolidated Financial Statements and accompanying notes may not add due to rounding. All percentages have been calculated using unrounded amounts.

These Condensed Consolidated Financial Statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the six months ended June 30, 2023 are not the Group’s statutory accounts for that financial year. Those accounts were reported upon by the Group’s auditors and delivered to the registrar of companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The unaudited Condensed Consolidated Financial Statements reflect all adjustments of a normal recurring nature that are necessary for a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of results for a full year.

As of June 30, 2024 the Group had cash and cash equivalents of $308,478 and short term investments of $191,938. Considering the Group’s financial position as of June 30, 2024 and its principal risks and opportunities, a going concern analysis has been prepared for at least the twelve-month period from the date of signing the Condensed Consolidated Financial Statements ("the going concern period") utilizing realistic scenarios and applying a severe but plausible downside scenario. Even under the downside scenario, the analysis demonstrates the Group continues to maintain sufficient liquidity headroom and continues to comply with all financial obligations. Therefore, the Board of Directors ("Directors") believes the Group is adequately resourced to continue in operational existence for at least the twelve-month period from the date of signing the Condensed Consolidated Financial Statements. Accordingly, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Condensed Consolidated Financial Statements.

These Condensed Consolidated Financial Statements were authorized for issue by the Company’s Board of Directors on August 28, 2024.

Material Accounting policies

There have been no significant changes in the Group’s accounting policies from those disclosed in our Consolidated Financial Statements as of and for the year ended December 31, 2023. The significant accounting policies used for half-year financial reporting are disclosed in Note 1, Material Accounting policies of the accompanying notes to the Consolidated Financial Statements included in our 2023 Annual Report and Accounts.

2. New Standards and Interpretations

The Group has applied Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* for the first time for its interim reporting period ended June 30, 2024. This amendment did not have any impact on the amounts recognized in prior and current periods.

In April 2024, IFRS 18, *Presentation and Disclosure in Financial Statements* was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1 *Presentation of Financial Statements,* impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Group is currently assessing the impact of the new standard.

Certain other new accounting standards, interpretations, and amendments to existing standards have been published that are effective for annual periods commencing on or after January 1, 2025 and have not been early adopted by the Group in preparing the Condensed Consolidated Financial Statements. These standards, amendments or interpretations are not expected to have a material impact on the Group in the prior and current periods.

3. Segment Information

Basis for Segmentation

The Directors are the Group’s chief operating decision-makers. The Group’s operating segments are determined based on the financial information provided to the Board of Directors periodically for the purposes of allocating resources and assessing performance. The Group has determined each of its Wholly-Owned Programs represents an operating segment and the Group has aggregated each of these operating segments into one reportable segment, the Wholly-Owned Programs segment. Each of the Group’s Controlled Founded Entities represents an operating segment. The Group aggregates each Controlled Founded Entity operating segment into one reportable segment, the Controlled Founded Entities segment. The aggregation is based on the high level of operational and financial similarities of the operating segments. For the Group’s entities that do not meet the definition of an operating segment, the Group presents this information in the Parent Company and Other column in its segment footnote to reconcile the information in this footnote to the Condensed Consolidated Financial Statements. Substantially all of the Group’s revenue and profit generating activities are generated within the United States and, accordingly, no geographical disclosures are provided.

Following is the description of the Group's reportable segments:

Wholly-Owned Programs

The Wholly-Owned Programs segment is advancing Wholly-Owned Programs which are focused on treatments for patients with devastating diseases. The Wholly-Owned Programs segment is comprised of the technologies that are wholly-owned and will be advanced through with either the Group's funding or non-dilutive sources of financing. The operational management of the Wholly-Owned Programs segment is conducted by the PureTech Health team, which is responsible for the strategy, business development, and research and development.

Controlled Founded Entities

The Controlled Founded Entities segment is comprised of the Group’s consolidated operational subsidiaries as of June 30, 2024 that either have, or have plans to hire, independent management teams and currently have already raised third-party dilutive capital. These subsidiaries have active research and development programs and have entered into an equity or debt investment partner, who will provide additional industry knowledge and access to networks, as well as additional funding to continue the pursued growth of the entity.

The Group’s entities that were determined not to meet the definition of an operating segment are included in the Parent Company and Other column to reconcile the information in this footnote to the Condensed Consolidated Financial Statements. This column captures activities not directly attributable to the Group's operating segments and includes the activities of the Parent, corporate support functions and certain research and development support functions that are not directly attributable to a strategic business segment as well as the elimination of intercompany transactions. This column also captures the operating results for the deconsolidated entities through the date of deconsolidation (e.g. Vedanta in 2023) and accounting for the Group's holdings in Founded Entities for which control has been lost, which primarily represents: the activity associated with deconsolidating an entity when the Group no longer controls the entity (e.g. Vedanta in 2023), the gain or loss on the Group's investments accounted for at fair value (e.g. the Group's ownership stakes in Karuna, Vor and Akili) and the Group's net income or loss of associates accounted for using the equity method.

(The term "Founded Entities" refers to entities which the Company incorporated and announced the incorporation as a Founded Entity externally. It includes certain of the Company’s wholly-owned subsidiaries which have been announced by the Company as Founded Entities, Controlled Founded Entities and deconsolidated Founded Entities.)

In January 2024, the Group launched two new Founded Entities (Seaport Therapeutics "Seaport" and Gallop Oncology "Gallop") to advance certain programs from the Wholly-Owned Programs segment. The financial results of these programs were included in the Wholly-Owned Programs segment as of and for the year ended December 31, 2023. Upon raising dilutive third-party financing in April 2024, the financial results of Seaport are included within the Controlled Founded Entities Segment as the Group still maintains control over this entity.

As of June 30, 2024, Alivio became dormant and did not meet the definition of operating segment. The financial results of this entity were removed from the Wholly-Owned Programs segment and are included in the Parent Company and Other column. The corresponding information for 2023 has been restated to include Alivio in the Parent Company and Other column so that the segment disclosures are presented on a comparable basis.

The Group's Board of Directors reviews segment performance and allocates resources based upon revenue, operating loss as well as the funds available for each segment. The Board of Directors does not review any other information for purposes of assessing segment performance or allocating resources.

	For the six months ended June 30, 2024			
	Wholly-Owned Programs $	**Controlled Founded Entities $**	**Parent Company and Other $**	**Consolidated $**
Contract revenue	**—**	**—**	**—**	**—**
Grant revenue	**288**	**—**	**—**	**288**
Total revenue	**288**	**—**	**—**	**288**
General and administrative expenses	**(4,450)**	**(6,548)**	**(16,759)**	**(27,758)**
Research and development expenses	**(32,981)**	**(5,710)**	**(237)**	**(38,928)**
Total operating expense	**(37,431)**	**(12,258)**	**(16,997)**	**(66,686)**
Operating income/(loss)	**(37,143)**	**(12,258)**	**(16,997)**	**(66,398)**
Income/expenses not allocated to segments				
Other income/(expense):				
Gain/(loss) on investment held at fair value				**3,882**
Realized loss on sale of investments				**151**
Gain/(loss) on investment in notes from associates				**11,612**
Other income/(expense)				**548**
Total other income/(expense)				**16,193**
Net finance income/(costs)				**(1,468)**
Share of net income/(loss) of associates accounted for using the equity method				**(3,357)**
Income/(loss) before taxes				**(55,030)**
		As of June 30, 2024		
Available Funds				
Cash and cash equivalents	**24,781**	**99,359**	**184,338**	**308,478**
Short-term Investments	**—**	**—**	**191,938**	**191,938**
Consolidated cash, cash equivalents and short-term investments	**24,781**	**99,359**	**376,276**	**500,416**

	For the six months ended June 30, 2023			
	Wholly-Owned Programs $	Controlled Founded Entities $	Parent Company and Other $	Consolidated $
Contract revenue	—	750	—	750
Grant revenue	135	—	2,265	2,400
Total revenue	135	750	2,265	3,150
General and administrative expenses	(6,981)	(237)	(18,947)	(26,166)
Research and development expenses	(45,139)	(368)	(7,640)	(53,146)
Total Operating expenses	(52,120)	(605)	(26,588)	(79,312)
Operating income/(loss)	(51,985)	145	(24,323)	(76,163)
Income/expenses not allocated to segments				
Other income/(expense):				
Gain on deconsolidation				61,787
Gain/(loss) on investment held at fair value				7,818
Gain/(loss) on investment in notes from associates				(6,045)
Other income/(expense)				(1,134)
Total other income/(expense)				62,426
Net finance income/(costs)				5,316
Share of net income/(loss) of associate accounted for using the equity method				(5,324)
Income/(loss) before taxes				(13,744)
		As of December 31, 2023		
Available Funds				
Cash and cash equivalents	1,895	675	188,511	191,081
Short-term Investments	—	—	136,062	136,062
Consolidated cash, cash equivalents and short-term investments	1,895	675	324,573	327,143

4. Investments Held at Fair Value

Investments held at fair value include both unlisted and listed securities held by the Group. These investments, which include interests in Akili, Vor, Sonde, Vedanta and other insignificant investments, are initially measured at fair value and are subsequently re-measured at fair value at each reporting date with changes in the fair value recorded through profit and loss. See Note 13. Financial Instruments for information regarding the valuation of these instruments. Activities related to such investments during the periods are shown below:

Investments held at fair value	$
Balance as of December 31, 2023 and January 1, 2024	317,841
Sale of Karuna shares	(292,672)
Gain realised on sale of investments	151
Gain – change in fair value through profit and loss	3,882
Balance as of June 30, 2024 before allocation of equity method loss to long-term interest ("LTI")	**29,202**
Equity method loss recorded against LTI	(172)
Balance as of June 30, 2024 after allocation of equity method loss to LTI	**29,030**

Vedanta

On March 1, 2023 Vedanta issued convertible debt to a syndicate of investors. The Group did not participate in this round of financing. As part of the issuance of the debt, the convertible debt holders were granted representation on Vedanta's Board of Directors and the Group lost control over the Vedanta's Board of Directors and the power to direct the relevant Vedanta activities. Consequently, Vedanta was deconsolidated on March 1, 2023 and its results of operations were included in the Condensed Consolidated Financial Statements through the date of deconsolidation.

Following deconsolidation, the Group still has significant influence over Vedanta through its voting interest in Vedanta and its remaining representation on Vedanta's Board of Directors. However, the Group only holds convertible preferred shares in Vedanta that do not provide their holders with access to returns associated with a residual equity interest, and as such, are accounted for under IFRS 9, as investments held at fair value with changes in fair value recorded in profit and loss. Under IFRS 9, the preferred share investments are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest.

Upon deconsolidation, the Group derecognized its assets, liabilities and non-controlling interest in respect of Vedanta and recorded its aforementioned investment in Vedanta at fair value. The deconsolidation resulted in a gain of $61,787.

During the six months ended June 30, 2024 and June 30, 2023, the Group recognized a loss of $3,648 and $2,171, respectively for the changes in the fair value of the investment in Vedanta that was included in gain/(loss) on investments held at fair value within the Condensed Consolidated Statement of Comprehensive Income/(Loss). The fair value of the Group’s investment in Vedanta was $10,505 and $14,153 as of June 30, 2024 and December 31, 2023, respectively.

Karuna

As of December 31, 2023, the Group held 886,885 shares or 2.3 percent of total outstanding Karuna common stock with fair value of $280,708. In March 2024, Karuna common shares were acquired by Bristol Myers Squibb ("BMS") for $330 per share in accordance with the terms of a definitive merger agreement signed in December 2023. As a result of this transaction, the Group received total proceeds of $292,672 before income tax in exchange for its holding of 886,885 shares of Karuna common stock.

During the six months ended June 30, 2024 and 2023, the Group recognized a gain of $11,813 and $21,458, respectively, for the changes in the fair value of its investment in Karuna that was included in gain/(loss) on investments held at fair value within the Condensed Consolidated Statement of Comprehensive Income/(Loss).

Sonde

On May 25, 2022, Sonde completed a Series B preferred share financing, which resulted in the Group losing control over Sonde and the deconsolidation of Sonde.

Following deconsolidation, the Group still had significant influence in Sonde through its voting interest in Sonde and its remaining representation on Sonde's Board of Directors. The Group holds Preferred A-1, A-2 and B shares. The Preferred A-1 shares have the same terms as common stock, and provide their shareholders with access to returns associated with a residual equity ownership in Sonde. Consequently, the investment in Preferred A-1 shares is accounted for under the equity method. See Note 5. Investments in Associates. The convertible Preferred A-2 and B shares, however, do not provide their shareholders with access to returns associated with a residual equity interest, and as such, are accounted for under IFRS 9, as investments held at fair value with changes in fair value recorded in profit and loss. Under IFRS 9, the A-2 and B preferred share investments are categorized as debt instruments that are presented at fair value through profit and loss because the amounts receivable do not represent solely payments of principal and interest.

During the six months ended June 30, 2024 and 2023, the Group recognized a gain of $163, and a loss of $167, respectively, for the change in the fair value of its investment in Sonde that were included in gain/(loss) on investments held at fair value within the Condensed Consolidated Statement of Comprehensive Income/(Loss). The fair value of the Group’s investment in Sonde was $10,571 and $10,408 as of June 30, 2024 and December 31, 2023, respectively. As the Group’s investment in
Sonde is considered to be a long term interest, a loss of $172 from Sonde’s equity method of accounting was applied to the investment balance, reducing the balance to $10,399.

Vor

During the six months ended June 30, 2024 and 2023, the Group recognized a loss of $3,340 and $9,512, respectively, for the change in the fair value of its investment in Vor that was included in gain/(loss) on investments held at fair value within the Condensed Consolidated Statement of Comprehensive Income/(Loss). The fair value of the Group’s investment in Vor was $2,672 and $6,012 as of June 30, 2024 and December 31, 2023, respectively.

Akili

During the six months ended June 30, 2024 and 2023, the Group recognized a loss of $985 and $354, respectively, for the changes in the fair value of its investment in Akili that were included in gain/(loss) on investments held at fair value within the Condensed Consolidated Statement of Comprehensive Income/(Loss). The fair value of the Group's investment in Akilli was $5,437 and $6,422 as of June 30, 2024 and December 31, 2023, respectively.

On July 2, 2024, Akili was acquired by Virtual Therapeutics. As a result of this transaction, the Group received total proceeds of $5,437 before income taxes in exchange for its holding of 12,527,476 shares of Akili common stock.

5. Investments in Associates

Gelesis

Gelesis was founded by the Group and raised funding through preferred shares financings as well as issuances of warrants and loans. As of July 1, 2019, Gelesis was deconsolidated from the Group's financial statements. Upon deconsolidation, the preferred shares and warrants held by the Group fell under the guidance of IFRS 9 *Financial Instruments* and were treated as financial assets held at fair value and the investment in common shares of Gelesis was subject to IAS 28 *Investment in Associates* as the Group had significant influence over Gelesis.

During the year ended December 31, 2023, the Group entered into agreements with Gelesis to purchase senior secured convertible promissory notes and warrants for shares of Gelesis common stock (see Note 6. Investment in Notes from Associates). The warrants to purchase shares of Gelesis common stock represented potential voting rights to the Group and it is therefore necessary to consider whether they were substantive. If these potential voting rights were substantive and the Group had the practical ability to exercise the rights and take control of greater than 50% of Gelesis common stock, the Group would be required to consolidate Gelesis under the accounting standards.

In February 2023, the Group obtained warrants to purchase 23,688,047 shares of Gelesis common stock (the "February Warrants") at an exercise price of $0.2744 per share. The exercise of the February Warrants was subject to the approval of the Gelesis stockholders until May 1, 2023. On May 1, 2023, stockholder approval was no longer required for the Group to exercise the February Warrants. The potential voting rights associated with the February Warrants were not substantive as the exercise price of the February Warrants was at a significant premium to the fair value of the Gelesis common stock.

In May 2023, the Group obtained warrants to purchase 235,441,495 shares of Gelesis common stock (the "May Warrants"). The May Warrants were exercisable at the option of the Group and had an exercise price of either $0.0182 or $0.0142. The May Warrants were substantive as the Group would have benefited from exercising such warrants since their exercise price was at the money or at an insignificant premium over the fair value of the Gelesis common stock. However, that benefit from exercising the May Warrants only existed for a short period of time because in June 2023, the potential voting rights associated with the May Warrants were impacted by the terms and conditions of a merger agreement that the Group signed with Gelesis on June 12, 2023 (the "Merger Agreement") and were no longer substantive.

On October 12, 2023, the Group terminated the Merger Agreement with Gelesis as certain closing conditions were not satisfied . In October 2023, Gelesis ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Bankruptcy Code. A Chapter 7 trustee has been appointed by the Bankruptcy Court who has control over the assets and liabilities of Gelesis, effectively eliminating the authority and powers of the Board of Directors of Gelesis and its executive officers to act on behalf of Gelesis. The assets of Gelesis are in liquidation and Gelesis no longer has any officers or employees. The Group ceased accounting for Gelesis as an equity method investment as it no longer has significant influence in Gelesis.

During the year ended December 31, 2023, the Group recorded $4,910 as its share in the losses of Gelesis with $3,787 recorded in the first six months. The Group's balance in this equity method investment was $— as of June 30, 2024 and December 31, 2023.

Sonde

Following deconsolidation of Sonde on May 25 2022, the Group has significant influence in Sonde through its voting interest in Sonde and its remaining representation on Sonde's Board of Directors. The Group holds Preferred A-1, A-2 and B shares. The Preferred A-1 shares, in substance, have the same terms as common stock and as such, provide their shareholders with access to returns associated with a residual equity ownership in Sonde. Consequently, the investment in Preferred A-1 shares is accounted for under the equity method of accounting. The Preferred A-2 and B shares, however, do not provide their shareholders with access to returns associated with a residual equity interest, and as such, are accounted for under IFRS 9, as investments held at fair value.

During the six months ended June 30, 2024 and 2023, the Group recorded a loss of $3,357 and $1,537, respectively, related to Sonde's equity method of accounting. As of December 31, 2023, the Sonde equity method investment had a balance of $3,185. The Group's share of Sonde's loss in the six months ended June 30, 2024 has reduced the Group's investment in this associate to $0. The excess loss of $172 was applied against the fair value of Sonde Preferred A-2 and B shares, which are considered to be long term interests.

6. Investment in Notes from Associates

Gelesis

On July 27, 2022, the Group, as a lender, entered into an unsecured promissory note (the "Junior Note") with Gelesis, as a borrower, in the amount of $15,000. The Junior Note bears an annual interest rate of 15% per annum. The maturity date of the Junior Note is the earlier of December 31, 2023 or five business days following the consummation of a qualified financing by Gelesis. Based on the terms of the Junior Note, due to the option to convert to a variable amount of shares at the time of default, the Junior Note is required to be measured at fair value with changes in fair value recorded through profit and loss.

During the year ended December 31, 2023, the Group entered into multiple agreements with Gelesis to purchase senior secured convertible promissory notes (the "Senior Notes") and warrants for share of Gelesis common stock for a total consideration of $11,850. The Senior Notes are secured by a first-priority lien on substantially all assets of Gelesis and the guarantors (other than the equity interests in, and assets held by Gelesis s.r.l., a subsidiary of Gelesis, and certain other exceptions). The initial fair value of the Senior Notes was determined to be $10,729 while $1,121 was determined to be the initial fair value of the warrants. The Senior Notes represent debt instruments that are presented at fair value through profit and loss as the amounts receivable do not solely represent payments of principal and interest as the Senior Notes are convertible into Gelesis common stock.

In October 2023, Gelesis ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Bankruptcy Code. Therefore, the Group determined that the fair value of the Junior Note and the Senior Notes with the warrants was $0 as of December 31, 2023. For the six months ended June 30, 2023 and year ended December 31, 2023, the Group recorded a loss of $5,945 and $27,230, respectively, for the changes in the fair value of these instruments which were included in gain/(loss) on investments in notes from associates in the Condensed Consolidated Statement of Comprehensive Income/(Loss).

In June 2024, the Bankruptcy Court approved an executed agreement for a third party to acquire the remaining net assets of Gelesis for $15,000. As the only senior secured creditor, the Group is expected to receive a majority of the proceeds from this sale after deduction of Bankruptcy Court related legal and administrative costs. As of June 30, 2024, these notes were determined to have a fair value of $11,312. The Group recorded a gain of $11,312 for the changes in the fair value of these notes which were included in gain/(loss) on investments in notes from associates in the Condensed Consolidated Statement of Comprehensive Income/(Loss).

Vedanta

On April 24, 2023, Vedanta closed the second tranche of its convertible debt for additional proceeds of $18,000, of which $5,000 were invested by the Group. The convertible debt carries an interest rate of 9 percent per annum. The debt has various conversion triggers and the conversion price is established at the lower of 80% of the equity price of the last financing round, or a certain pre-money valuation cap established in the agreement. If the convertible debt is not earlier converted or repaid, the entire outstanding amount of the convertible debt shall be due and payable upon the earliest to occur of (a) the later of (x) November 1, 2025 and (y) the date which is sixty (60) days after all amounts owed under, or in connection with, the loan Vedanta received from a certain investor have been paid in full, or (b) the consummation of a Deemed Liquidation Event (as defined in Vedanta's Amended and Restated Certificate of Incorporation).

Due to the terms of the convertible debt, the investment in such convertible debt is measured at fair value with changes in the fair value recorded through profit and loss. During the six months ended June 30, 2024 and June 30, 2023, the Group recorded a gain of $300 and a loss of $100, respectively, for the changes in the fair value of the Vedanta convertible debt, which were included in gain/(loss) on investments in notes from associates in the Condensed Consolidated Statement of Comprehensive Income/(Loss).

Following is the activity in respect of investments in notes from associates during the period. The fair value of the $16,212 notes from associates as of June 30, 2024 is determined using unobservable Level 3 inputs. See Note 13. Financial Instruments for additional information.

Investment in notes from associates	$
Balance as of December 31, 2023 and January 1, 2024	4,600
Changes in the fair value of the notes	11,612
Balance as of June 30, 2024	**16,212**

7. Share-based Payments

Share-based payments includes stock options and restricted stock units ("RSUs"). Expense for stock options and time-based RSUs is recognized based on the grant date fair value of these awards. Performance-based RSUs to executives are treated as liability awards and the related expense is recognized based on reporting date fair value up until settlement date.

Share-based Payment Expense

The Group's share-based payment expense for the six months ended June 30, 2024 and 2023 was $4,648 and $1,256, respectively. The following table provides the classification of the Group's consolidated share-based payment expense as reflected in the Condensed Consolidated Statement of Comprehensive Income/(Loss):

Six months ended June 30,	**2024 $**	2023 $
General and administrative	**4,471**	1,121
Research and development	**176**	135
Total	**4,648**	1,256

The Performance Share Plan

In June 2015, the Group adopted the Performance Stock Plan (the “2015 PSP”). Under the 2015 PSP and subsequent amendments, awards of ordinary shares may be made to the Directors, senior managers and employees, and other individuals providing services to the Group up to a maximum authorized amount of 10.0 percent of the total ordinary shares outstanding.

In June 2023 the Group adopted a new Performance Stock Plan (the "2023 PSP") that has the same terms as the 2015 PSP but instituted for all new awards a limit of 10.0 percent of the total ordinary shares outstanding over a five-year period.

The awards granted under these plans have various vesting terms over a period of service between one and four years, provided the recipient remains continuously engaged as a service provider. The options awards expire 10 years from the grant date.

The share-based awards granted under these plans are generally equity-settled (see cash settlements below). As of June 30, 2024, the Group had issued 31,654,895 units of share-based awards under these plans.

RSUs

During the six months ended June 30, 2024 and 2023, the Group granted the following RSUs to certain non-executive Directors, executives and employees:

Six months ended June 30,	2024	2023
Time based RSUs	**3,933,606**	102,732
Performance based RSUs	**1,822,151**	3,576,937
Total RSUs	**5,755,757**	3,679,669

Each RSU entitles the holder to one ordinary share on vesting and the RSU awards are generally based on a vesting schedule over a one to three-year requisite service period in which the Group recognizes compensation expense for the RSUs. Following vesting, each recipient will be required to make a payment of one pence per ordinary share on settlement of the RSUs.

Time-based RSUs are equity-settled. The grant date fair value on such RSUs is recognized over the vesting term.

Performance-based RSUs are granted to executives. Vesting of such RSUs is subject to the satisfaction of both performance and market conditions. The performance condition is based on the achievement of the Group's strategic targets. The market conditions are based on the achievement of the absolute total shareholder return (“TSR”), TSR as compared to the FTSE 250 Index, and TSR as compared to the MSCI Europe Health Care Index. The RSU award performance criteria have changed over time as the criteria are continually evaluated by the Group’s Remuneration Committee.

The Group recognizes the estimated fair value of performance-based awards with non-market conditions as share-based compensation expense over the performance period based upon its determination whether it is probable that the performance targets will be achieved. The Group assesses the probability of achieving the performance targets at each reporting period. Cumulative adjustments, if any, are recorded to reflect subsequent changes in the estimated outcome of performance-related conditions.

The fair value of the performance-based awards with market conditions is based on the Monte Carlo simulation analysis utilizing a Geometric Brownian Motion process with 100,000 simulations to value those shares. The model considers share price volatility, risk-free rate and other covariance of comparable public companies and other market data to predict distribution of relative share performance.

The RSUs to executives are treated as liability awards as the Group has a historical practice of settling these awards in cash, and as such, adjusted to fair value at every reporting date until settlement with changes in fair value recorded in earnings as stock based compensation expense.

In May 2024, the Group settled 237,420 vested RSUs through issuance of shares to a terminated employee. As such, the liability at the date of settlement was settled for $646 in shares.

In March 2024, the Group settled 518,721 vested RSUs through issuance of shares after paying the employees' withholding taxes in cash. As such, the liability at the date of settlement was settled for $655 in cash and $655 in shares.

In February and May 2023, the Group settled 276,425 vested RSUs through issuance of shares, after paying the employees' withholding taxes in cash. As such, the liability at dates of settlement was settled for $298 in cash and $424 in shares.

The Group recorded $973 expense and $235 income for the six months ended June 30, 2024 and 2023, respectively, in respect of all restricted stock units, of which $609 expense and $485 income, respectively, was in respect of liability settled share-based awards.

As of June 30, 2024, the carrying amount of the RSU liability awards was $3,435 with $1,886 current and $1,550 non current. As of December 31, 2023, the carrying amount of the RSU liability awards was $4,782 with $1,281 current and $3,501 non current, out of which $1,281 related to awards that met all their performance and market conditions and were settled in March and May of 2024 as discussed above.

Stock Options

During the six months ended June 30, 2024 and 2023, the Group granted 2,548,375 and 569,125 stock option awards, respectively.

Stock options are treated as equity-settled awards. The fair value of the stock options awarded by the Group was estimated at the grant date using the Black-Scholes option valuation model, considering the terms and conditions upon which options were granted, with the following weighted- average assumptions:

For the six months ended June 30,	**2024**	2023
Expected volatility	**44.79 %**	43.45 %
Expected terms (in years)	**6.16**	6.16
Risk-free interest rate	**4.32 %**	3.66 %
Expected dividend yield	**—**	—
Exercise price (GBP)	**1.88**	2.29
Underlying stock price (GBP)	**1.88**	2.29

These assumptions resulted in an estimated weighted-average grant-date fair value per share of stock options granted during the six months ended June 30, 2024, and 2023 of $1.19, and $1.38, respectively.

As of June 30, 2024, 9,191,140 incentive options are exercisable with a weighted-average exercise price of £2.20. Exercise prices ranged from £0.01 to £3.60.

The Group incurred share-based payment expense for the stock options of $390 and $1,215 for the six months ended June 30, 2024 and 2023, respectively.

Subsidiary Plans

The subsidiaries incurred $3,285 and $277 in share-based payment expense in respect of their share-based award plans for the six months ended June 30, 2024 and 2023, respectively.

The share-based payment expense for the six months ended June 30, 2024 is primarily related to the Seaport Plan discussed below.

In 2024, the Board of Directors of Seaport approved the 2024 Equity Incentive Plan (the “Seaport Plan”). The options granted under the Seaport Plan are equity settled and expire 10 years from the grant date. Typically, the awards vest in four years but vesting conditions can vary based on the discretion of Seaport’s Board of Directors.

The estimated grant date fair value of the equity awards is recognized as an expense over the awards’ vesting periods.

In the six months ended June 30, 2024, Seaport granted 3,450,000 shares of restricted stock to certain officers and directors, of which 1,227,778 shares are fully vested as of June 30, 2024. Seaport also granted 14,859,335 stock options awards to its non-executive Directors, executives and employees. The fair value of the restricted stock is estimated at the date of grant using the market backsolve and two-scenario option pricing model. See Note 13. Financial Instruments. The fair value of the stock option grants was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

For the six months ended June 30,	**2024**
Expected volatility	**80.00 %**
Expected terms (in years)	**5.75**
Risk-free interest rate	**4.34 %**
Expected dividend yield	**—**
Exercise price	**$0.97**
Underlying stock price	**$0.97**

These assumptions resulted in an estimated weighted-average grant-date fair value of $0.68 per share for stock options granted during the six months ended June 30, 2024.

8. Finance Income/(Costs), net

The following table shows the breakdown of finance income and costs:

For the six months ended June 30,	2024 $	2023 $
Finance income		
Interest income from financial assets	**11,732**	7,731
Total finance income	**11,732**	7,731
Finance costs		
Contractual interest expense on notes payable	**(328)**	(82)
Interest expense on other borrowings	**—**	(363)
Interest expense on lease liability	**(675)**	(817)
Gain/(loss) on foreign currency exchange	**(33)**	(76)
Total finance cost – contractual	**(1,036)**	(1,338)
Gain/(loss) from change in fair value of warrant liability	**—**	33
Gain/(loss) from change in fair value of preferred shares	**(1,613)**	2,617
Total finance income/(costs) – fair value accounting	**(1,613)**	2,650
Total finance costs - non cash interest expense related to sale of future royalties	**(10,551)**	(3,726)
Finance income/(costs), net	**(1,468)**	5,316

9. Earnings/(Loss) per Share

Basic earnings/(loss) per share is computed by dividing the Group's income or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, net of treasury shares.

Dilutive earnings/loss per share is computed by dividing the Group's income or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, net of treasury shares, plus the weighted average number of ordinary shares that would be issued at conversion of all the dilutive potential securities into ordinary shares. Dilutive effects arise from equity-settled shares from the Group's share-based plans.

During the six months ended June 30, 2024 and 2023, the Group incurred a net loss, and therefore, all outstanding potential securities were considered anti-dilutive. The amount of potential securities that were excluded from the diluted calculation amounted to 1,637,694 and 1,878,514 shares for the six months ended June 30, 2024 and 2023, respectively.

The following table sets forth the computation of basic and diluted earnings/(loss) per share for the periods presented:

ForForfor For the six months ended June 30,	2024	2023
Numerator:		
Income/(loss) attributable to the owners of the Group	**($41,773)**	($25,004)
Denominator:		
Issued ordinary shares at January 1	**271,853,731**	278,566,306
Effect of shares issued & treasury shares purchased and cancelled	**(2,197,209)**	(311,925)
Weighted average ordinary shares for basic EPS	**269,656,522**	278,254,381
Effect of dilutive securities	**—**	—
Weighted average ordinary shares for diluted EPS	**269,656,522**	278,254,381
Basic earnings/(loss) per ordinary share	**($0.15)**	($0.09)
Diluted earnings/(loss) per ordinary share	**($0.15)**	($0.09)

10. Equity

On May 9, 2022, the Group announced the commencement of a $50,000 share repurchase program (the "Program") of its ordinary shares of one pence each. The Group executed the Program in two equal tranches. It entered into an irrevocable non-discretionary instruction with Jefferies International Limited (“Jefferies”) in relation to the purchase by Jefferies of the ordinary shares for an aggregate consideration (excluding expenses) of no greater than $25,000 for each tranche and the simultaneous on-sale of such ordinary shares by Jefferies to the Group, subject to certain volume and price restrictions. In February 2024, the Group completed the Program and has repurchased an aggregate of 20,182,863 ordinary shares under the Program. These shares have been held as treasury shares and are being used to settle the vesting of restricted stock units or exercise of stock options.

In March 2024, the Group announced a proposed capital return of $100,000 to its shareholders by way of a tender offer (the "Tender Offer"). The proposed Tender Offer was approved by shareholders at the Annual General Meeting of Stockholders held on June 6, 2024, to acquire a maximum number of 33,500,000 ordinary shares (including ordinary shares represented by American Depository Shares ("ADSs")) for a fixed price of 250 pence per ordinary share (equivalent to £25.00 per ADS) for a maximum aggregate amount of $100,000 excluding expenses.

The Tender Offer was completed on June 24, 2024. The Group repurchased 31,540,670 ordinary shares under the Tender Offer. Following such repurchase, the Group cancelled these shares repurchased. As a result of the cancellation, the nominal value of $600 related to the cancelled shares was reduced from share capital and transferred to a capital redemption reserve, increasing the capital redemption reserve balance to $600 as of June 30, 2024 which was included in other reserve in the Condensed Consolidated Statement of Changes in Equity.

As of December 31, 2023, the Group had 271,853,731 common shares outstanding, including 289,468,159 issued shares net of 17,614,428 shares repurchased and held by the Group in Treasury. As of June 30, 2024, the Group had 239,421,312 common

shares outstanding, including 257,927,489 issued shares after deducting 31,540,670 cancelled ordinary shares repurchased through the Tender Offer, net of 18,506,177 shares repurchased and held by the Group in Treasury.

11. Subsidiary Preferred Shares

In April 2024, Seaport closed a Series A-2 preferred share financing with aggregate proceeds of $100,100 of which $68,100 was from outside investors and $32,000 was from the Group. As of June 30, 2024, the Group held equity ownership in Seaport of 57.7 percent on a diluted basis.

Preferred shares issued by subsidiaries often contain redemption and conversion features that are assessed under IFRS 9 in conjunction with the host preferred share instrument. This balance represents subsidiary preferred shares issued to third parties.

The subsidiary preferred shares are redeemable upon the occurrence of a contingent event, other than full liquidation of the subsidiaries, that is not considered to be within the control of the subsidiaries. Therefore, these subsidiary preferred shares are classified as liabilities. These liabilities are measured at fair value through profit and loss. The preferred shares are convertible into ordinary shares of the subsidiaries at the option of the holders and are mandatorily convertible into ordinary shares under certain circumstances. Under certain scenarios, the number of ordinary shares receivable on conversion will change and therefore, the number of shares that will be issued is not fixed. As such, the conversion feature is considered to be an embedded derivative that normally would require bifurcation. However, since the preferred share liabilities are measured at fair value through profit and loss, as mentioned above, no bifurcation is required.

The preferred shares are entitled to vote with holders of common shares on an as converted basis.

The fair value of all subsidiary preferred shares as of June 30, 2024 and December 31, 2023, is as follows:

As of June 30, 2024 and December 31, 2023	**2024 $**	2023 $
Entrega	**169**	169
Seaport	**69,713**	—
Total subsidiary preferred share balance	**69,882**	169

As is customary, in the event of any voluntary or involuntary liquidation, dissolution or winding up of a subsidiary, the holders of outstanding subsidiary preferred shares shall be entitled to be paid out of the assets of the subsidiary available for distribution to shareholders and before any payment shall be made to holders of ordinary shares. A merger, acquisition, sale of voting control or other transaction of a subsidiary in which the shareholders of the subsidiary immediately before the transaction do not own a majority of the outstanding shares of the surviving company shall be deemed to be a liquidation event. Additionally, a sale, lease, transfer or other disposition of all or substantially all of the assets of the subsidiary shall also be deemed a liquidation event.

As of June 30, 2024 and December 31, 2023, the minimum liquidation preference reflecting the amounts that would be payable to the subsidiary preferred holders upon a liquidation event of the subsidiaries, is as follows:

As of June 30, 2024 and December 31, 2023	**2024 $**	2023 $
Entrega	**2,216**	2,216
Follica	**6,405**	6,405
Seaport	**68,100**	—
Total minimum liquidation preference	**76,721**	8,621

For the six months ended June 30, 2024, the Group recognized the following changes in the value of subsidiary preferred shares:

	Subsidiary Preferred Shares $
Balance as of December 31 2023	169
Issuance of new preferred shares	68,100
Increase/(decrease) in value of preferred shares measured at fair value*	1,613
Balance as of June 30	**69,882**

* The changes in fair value of preferred shares are included in total finance income/(costs) – fair value accounting in the Condensed Consolidated Statement of Comprehensive Income/(Loss).

12. Sale of Future Royalties Liability

On March 4, 2011, the Group entered into a license agreement with Karuna Therapeutics, Inc. (“Karuna”) according to which the Group granted Karuna an exclusive license to research, develop and sell KarXT in exchange for a royalty on annual net sales, development and regulatory milestones and a fixed portion of sublicensing income, if any (hereinafter “License Agreement”).

On March 22, 2023, the Group signed an agreement with Royalty Pharma (the "Royalty Purchase Agreement"), according to which the Group sold Royalty Pharma a partial right to receive royalty payments made by Karuna in respect of net sales of KarXT, if and when received. According to the Royalty Purchase Agreement, all royalties due to the Group under the License Agreement will be paid to Royalty Pharma up until an annual sales threshold of $60,000, while all royalties above such annual threshold in a given year will be split 33% to Royalty Pharma and 67% to the Group. Under the terms of the Royalty Purchase Agreement, the Group received a non-refundable initial payment of $100,000 at the execution of the Royalty Purchase Agreement and is eligible to receive additional payments in the aggregate of up to an additional $400,000 based on the achievement of certain regulatory and commercial milestones.

The Group continues to hold the rights under the License Agreement and has a contractual obligation to deliver cash to Royalty Pharma for a portion of the royalties it receives. Therefore, the Group will continue to account for any royalties and regulatory milestones due to the Group under the License Agreement as revenue and record the proceeds from the Royalty Purchase Agreement as a financial liability on its financial statements. In determining the appropriate accounting treatment for the Royalty Purchase Agreement, management applied significant judgement.

The acquisition of Karuna by Bristol Myers Squibb (NYSE: BMY), which closed on March 18, 2024, had no impact on the Group's rights or obligations under the License Agreement or Royalty Purchase Agreement, each of which remains in full force and effect.

In order to determine the amortized cost of the sale of future royalties liability, management is required to estimate the total amount of future receipts from and payments to Royalty Pharma under the Royalty Purchase Agreement over the life of the agreement. The $100,000 liability, recorded at execution of the Royalty Purchase Agreement, is accreted to the total of these receipts and payments as interest expense over the life of the Royalty Purchase Agreement. These estimates contain assumptions that impact both the amortized cost of the liability and the interest expense that are recognized in each reporting period.

Additional proceeds received from Royalty Pharma will increase the Group’s financial liability. As royalty payments are made to Royalty Pharma, the balance of the liability will be effectively repaid over the life of the Royalty Purchase Agreement. To date, the Group has not made any royalty payments to Royalty Pharma. The estimated timing and amount of royalty payments to and proceeds from Royalty Pharma are likely to change over the life of the Royalty Purchase Agreement. A significant increase or decrease in estimated royalty payments, or a significant shift in the timing of cash flows, will materially impact the sale of future royalties liability, interest expense and the time period for repayment. The Group periodically assesses the expected payments to, or proceeds from, Royalty Pharma. Any such changes in amount or timing of cash flows requires the Group to re-calculate the amortized cost of the sale of future royalties liability as the present value of the estimated future cash flows from the Royalty Purchase Agreement that are discounted at the liability’s original effective interest rate. The adjustment is recognized immediately in profit or loss as income or expense.

The following shows the activity in respect of the sale of future royalties liability:

	Sale of future royalties liability $
Balance as of December 31, 2023	110,159
Non cash interest expense recognized	10,551
Balance as of June 30, 2024	**120,710**
Less sale of future royalties liability, current	-3,252
Sale of future royalties liability, non-current	117,458

13. Financial Instruments

The Group's financial instruments consist of financial assets in the form of notes, convertible notes and investment in shares, and financial liabilities, including preferred shares. Many of these financial instruments are presented at fair value, with changes in fair value recorded through profit and loss.

Fair Value Process

For financial instruments measured at fair value under IFRS 9, the change in the fair value is reflected through profit and loss. Using the guidance in IFRS 13, the total business enterprise value and allocable equity of each entity being valued can be determined using a market backsolve approach through a recent arm's length financing round (or a future probable arm's length transaction), market/asset probability-weighted expected return method ("PWERM") approach, discounted cash flow approach, or hybrid approaches. The approaches, in order of strongest fair value evidence, are detailed as follows:

Valuation Method	Description
Market – Backsolve	The market backsolve approach benchmarks the original issue price (OIP) of the company's latest funding transaction as current value.
Market/Asset – PWERM	Under a PWERM, the company value is based upon the probability-weighted present value of expected future investment returns, considering each of the possible future outcomes available to the enterprise. Possible future outcomes can include IPO scenarios, potential SPAC transactions, merger and acquisition transactions as well as other similar exit transactions of the investee.
Income Based – DCF	The income approach is used to estimate fair value based on the income streams, such as cash flows or earnings, that an asset or business can be expected to generate.

At each measurement date, investments held at fair value (that are not publicly traded) as well as the fair value of preferred share liabilities, including embedded conversion rights that are not bifurcated, were determined using the following allocation methods: option pricing model ("OPM"), PWERM, or hybrid allocation framework. The methods are detailed as follows:

Allocation Method	Description
OPM	The OPM model treats preferred stock as call options on the enterprise's equity value, with exercise prices based on the liquidation preferences of the preferred stock.
PWERM	Under a PWERM, share value is based upon the probability-weighted present value of expected future investment returns, considering each of the possible future outcomes available to the enterprise, as well as the rights of each share class.
Hybrid	The hybrid method is a combination of the PWERM and OPM. Under the hybrid method, multiple liquidity scenarios are weighted based on the probability of the scenario's occurrence, similar to the PWERM, while also utilizing the OPM to estimate the allocation of value in one or more of the scenarios.

Valuation policies and procedures are regularly monitored by the Group. Fair value measurements, including those categorized within Level 3, are prepared and reviewed for reasonableness and compliance with the fair value measurements guidance under IFRS accounting standards. The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Fair Value Hierarchy Level	Description
Level 1	Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
Level 2	Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation.

Whilst the Group considers the methodologies and assumptions adopted in fair value measurements as supportable and reasonable, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed.

Subsidiary Preferred Shares Liability

The following table summarizes the changes in the Group's subsidiary preferred shares measured at fair value, which are categorized as Level 3 in the fair value hierarchy:

	Subsidiary Preferred Shares $
Balance at December 31, 2023 and January 1, 2024	169
Value at issuance	68,100
Change in fair value	1,613
Balance at June 30, 2024	**69,882**

The change in fair value of preferred shares liabilities are recorded in finance income/(costs) – fair value accounting in the Condensed Consolidated Statement of Comprehensive Income/(Loss).

The significant unobservable inputs used at June 30, 2024 in the fair value measurement of the Group's material subsidiary preferred shares liability and the sensitivity of the fair value measurement for this liability to changes of these significant unobservable inputs are summarized in the table below.

As of June 30, 2024	Subsidiary Preferred Share Liability Measured through Market Backsolve & Two-Scenario OPM		
Unobservable Inputs	Input Value	Sensitivity Range	**Fair Value Increase/(Decrease) $**
Equity Value	192,200	-5 %	(2,251)
		+5%	2,137
Time to Liquidity	1.27	-6 Months	3,511
		+ 6 Months	(2,924)
Volatility	56 %	-10 %	1,664
		+10%	(1,714)

Investments Held at Fair Value

Vor and Akili Valuation

Vor (Nasdaq: VOR), Akili (Nasdaq: AKLI) and additional immaterial investments are listed entities on an active exchange, and as such, the fair value as of June 30, 2024, was calculated utilizing the quoted common share price which is categorized as Level 1 in the fair value hierarchy.

Vedanta and Sonde

As of June 30, 2024, the Group accounts for the following investments under IFRS 9 as investments held at fair value with changes in fair value through the profit and loss: Sonde preferred A-2 and B shares and Vedanta convertible preferred shares. The valuation of the aforementioned investments is categorized as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs to value such assets. During the six months ended June 30, 2024, the Group recorded such investments at fair value and recognized a loss of $3,486 for the change in fair value of the investments.

The following table summarizes the changes in all the Group's investments held at fair value categorized as Level 3 in the fair value hierarchy:

	$
Balance at December 31, 2023	24,872
Gain/(loss) on changes in fair value	(3,796)
Balance as of June 30, 2024 before allocation of equity method loss to LTI	**21,076**
Equity method loss recorded against LTI	(172)
Balance as of June 30, 2024 after allocation of equity method loss to LTI	**20,904**

The change in fair value of investments held at fair value is recorded in gain/(loss) on investments held at fair value in the Condensed Consolidated Statement of Comprehensive Income/(Loss).

As of June 30, 2024, the Group's material investments held at fair value categorized as Level 3 in the fair value hierarchy include the preferred shares of Sonde and Vedanta, with fair value of $10,571 and $10,505, respectively. The significant unobservable inputs used at June 30, 2024 in the fair value measurement of these investments and the sensitivity of the fair value measurements for these investments to changes of these significant unobservable inputs are summarized in the table below.

As of June 30, 2024	Investment Measured through Market Backsolve & OPM		
Unobservable Inputs (Sonde)	Input Value	Sensitivity Range	**Fair Value Increase/(Decrease) $**
Equity Value	54,307	-5 %	(466)
		+5%	466
Time to Liquidity	2.00	-6 Months	34
		+ 6 Months	(37)
Volatility	55 %	-10 %	1
		+10%	(25)

As of June 30, 2024	Investment Measured through Market Backsolve that Leverages a Monte Carlo Simulation		
Unobservable Inputs (Vedanta)	Input Value	Sensitivity Range	Fair Value Increase/(Decrease) $
Equity Value	30,272	-5 %	(1,029)
		+5%	913
Time to Liquidity	0.73	- 6 Months	(9,690)
		+ 6 Months	3,328
Volatility	125 %	-10 %	(1,111)
		+10%	823

Investments in Notes from Associates

As of June 30, 2024 and December 31, 2023, the investment in notes from associates was $16,212 and $4,600, respectively. The balance represents the fair value of convertible promissory notes with a principal value of $26,850 issued by Gelesis and convertible debt with a principal value of $5,000 issued by Vedanta.

During the six months ended June 30, 2024, the Group recorded a gain of $11,612 for the change in fair value of the notes from associates in the gain/(loss) on investments in notes from associates within the Condensed Consolidated Statement of Comprehensive Income/Loss. The gain was driven by an increase of $11,312 in the fair value of the Gelesis convertible promissory notes and an increase of $300 in the fair value of the Vedanta convertible note.

In October 2023, Gelesis ceased operations and filed a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Bankruptcy Code. Therefore, the Group determined the fair value of the convertible promissory notes issued by Gelesis to be $0 at December 31, 2023. In June 2024, the Bankruptcy Court approved an executed agreement for a third party to acquire the remaining net assets of Gelesis for $15,000. As the only senior secured creditor, the Group is expected to receive a majority of the proceeds from this sale after deduction of legal and administrative costs incurred by the Bankruptcy Court. As of June 30, 2024, these notes were determined to have a fair value of $11,312.

The convertible debt issued by Vedanta was valued using a market backsolve approach that leverages a Monte Carlo simulation. The significant unobservable inputs categorized as Level 3 in the fair value hierarchy used at June 30, 2024, in the fair value measurement of the convertible debt are the same as the inputs disclosed above for Vedanta preferred shares.

Fair Value Measurement and Classification

The fair value of financial instruments by category as of June 30, 2024 and December 31, 2023:

	2024					
	Carrying Amount		Fair Value			
	Financial Assets $	Financial Liabilities $	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets[3]:						
Money Markets[1,2]	**224,361**	**—**	**224,361**	**—**	**—**	**224,361**
Investment in notes from associates	**16,212**	**—**	**—**	**—**	**16,212**	**16,212**
Investments held at fair value	**29,202**	**—**	**8,126**	**—**	**21,076**	**29,202**
Total financial assets	**269,775**	**—**	**232,487**	**—**	**37,288**	**269,775**
Financial liabilities:						
Subsidiary preferred shares	**—**	**69,882**	**—**	**—**	**69,882**	**69,882**
Share-based liability awards	**—**	**3,435**	**—**	**—**	**3,435**	**3,435**
Total financial liabilities	**—**	**73,317**	**—**	**—**	**73,317**	**73,317**

1 Issued by a diverse group of corporations, largely consisting of financial institutions, virtually all of which are investment grade.

2 Included within cash and cash equivalents.

3. Excluded from the table above are short-term investments of $191,938 that are classified at amortized cost as of June 30, 2024. The cost of these short-term investments approximates current fair value.

The Group has a number of financial instruments that are not measured at fair value in the Condensed Consolidated Statement of Financial Position. For these instruments the fair values are not materially different from their carrying amounts.

	2023					
	Carrying Amount		Fair Value			
	Financial Assets $	Financial Liabilities $	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets[3]:						
Money Markets[1,2]	156,705	—	156,705	—	—	156,705
Note from associate	4,600	—	—	—	4,600	4,600
Investments held at fair value	317,841	—	292,970	—	24,872	317,841
Total financial assets	479,146	—	449,675	—	29,472	479,146
Financial liabilities:						
Subsidiary preferred shares	—	169	—	—	169	169
Share-based liability awards	—	4,782	—	—	4,782	4,782
Total financial liabilities	—	4,951	—	—	4,951	4,951

1 Issued by a diverse group of corporations, largely consisting of financial institutions, virtually all of which are investment grade.

2 Included within cash and cash equivalents.

3 Excluded from the table above are short-term investments of $136,062 that are classified at amortized cost as of December 31, 2023. The cost of these short-term investments approximates current fair value.

14. Non-Controlling Interest

As of June 30, 2024, non-controlling interests include Entrega, Follica, and Seaport. Ownership interests of the non-controlling interests in these entities as of June 30, 2024 were 11.7 percent, 19.9 percent and 56.4 percent, respectively. As of December 31, 2023, non-controlling interests include Entrega, and Follica. Ownership interests of the non-controlling interests in these entities were 11.7 percent, and 19.9 percent, respectively. Non-controlling interests include the amounts recorded for subsidiary stock awards.

For the six-months ended June 30, 2024, Seaport issued 950,000 shares of fully vested common stock to the Group and 3,450,000 shares of common stock to certain officers and directors, of which 1,227,778 shares are fully vested as of June 30, 2024. Therefore, the non-controlling interest ownership percentage is 56.4 percent as of June 30, 2024.

The following table summarizes the changes in the non-controlling ownership interest in subsidiaries.

	Non-Controlling Interest $
Balance at December 31, 2023 and January 1, 2024	(5,835)
Share of comprehensive income (loss)	(7,111)
Equity settled share-based payments	3,285
Expiration of share options in subsidiary	(1)
Balance at June 30, 2024	**(9,661)**

The following table summarizes the financial information related to Seaport, the Group's only subsidiary with significant non-controlling interest as of June 30, 2024.

For the period ended June 30, 2024	Non-Controlling Interest $
Statement of Comprehensive Income/(Loss)	
Total revenue	**—**
Income/(loss) for the period	**(12,332)**
Total comprehensive income/(loss) for the period	**(12,332)**
Statement of Financial Position	
Total assets	**102,494**
Total liabilities	**79,070**
Net assets/(liabilities)	**23,424**

15. Trade and Other Payables

Information regarding Trade and other payables was as follows:

As of June 30, 2024 and December 31, 2023	2024 $	2023 $
Trade payables	**8,125**	14,637
Accrued expenses	**21,434**	28,187
Liability for share-based awards	**1,886**	1,281
Other	**1**	3
Total trade and other payables	**31,445**	44,107

16. Commitments and Contingencies

The Group is a party to certain licensing agreements where the Group is licensing IP from third parties. In consideration for such licenses, the Group has made upfront payments and may be required to make additional contingent payments based on developmental and sales milestones and/or royalty on future sales. As of June 30, 2024, certain milestone events have not yet occurred, and therefore, the Group does not have a present obligation to make the related payments in respect of the licenses. Such milestones are dependent on events that are outside of the control of the Group, and many of these milestone events are remote of occurring. Payments in respect of developmental milestones that are dependent on events that are outside the control of the Group but are reasonably possible to occur amounted to approximately $7,371 and $7,371, respectively, as of June 30, 2024 and December 31, 2023. These milestone amounts represent an aggregate of multiple milestone payments depending on different milestone events in multiple agreements. The probability that all such milestone events will occur in the aggregate is remote. Payments made to license IP represent the acquisition cost of intangible assets.

The Group was a party to certain sponsored research arrangements and is a party to arrangements with contract manufacturing and contract research organizations, whereby the counterparty provides the Group with research and/or manufacturing services. As of June 30, 2024 and December 31, 2023, the noncancellable commitments in respect of such contracts amounted to approximately $16,827 and $16,422, respectively.

In March 2024, a complaint was filed in Massachusetts District Court against the Group alleging breach of contract with respect to certain payments alleged to be owed to a previous employee of a Group's subsidiary based on purported terms of a contract between such individual and the Group. The Group intends to defend itself vigorously though the ultimate outcome of this matter and the timing for resolution remains uncertain. No determination has been made that a loss, if any, arising from this matter is probable or that the amount of any such loss, or range of loss, is reasonably estimable.

The Group is involved from time-to-time in various legal proceedings arising in the normal course of business. Although the outcomes of these legal proceedings are inherently difficult to predict, the Group does not expect the resolution of such legal proceedings to have a material adverse effect on its financial position or results of operations. The Group did not book any provisions and did not identify any contingent liabilities requiring disclosure for any legal proceedings other than already included above for the six months ended June 30, 2024.

17. Related Parties Transactions

Related Party Subleases

During 2019, the Group executed a sublease agreement with a related party, Gelesis. During 2023, the sublease receivable was written down to $0 as Gelesis ceased operations and filed for bankruptcy.

The Group recorded $0, and $16 of interest income with respect to the sublease during the six months ended June 30, 2024, and 2023, respectively, which is presented within finance income in the Condensed Consolidated Statement of Comprehensive Income/(Loss).

Key Management Personnel Compensation

Key management includes executive directors and members of the executive management team of the Group (not including non-executive directors). The key management personnel compensation of the Group was as follows for the six months ended June 30:

For the six months ended June 30	2024 $	2023 $
Short-term employee benefits	**1,872**	2,230
Post-employment benefits	**44**	38
Termination Benefits	**140**	187
Share-based payment expense	**314**	(518)
Total	**2,370**	1,937

Short-term employee benefits include salaries, health care and other non-cash benefits. Post-employment benefits include 401K contributions from the Group. Termination benefits include severance pay. Share-based payments are generally subject to vesting terms over future periods. See Note 7. Share-based Payments. As of June 30, 2024, the payable due to the key management employees was $909.

In addition the Group paid remuneration to non-executive directors in the amounts of $245, and $213 for the six months ended June 30, 2024, and 2023, respectively. Also, the Group incurred $147, and $216, of stock based compensation expense for such non-executive directors for the six months ended June 30, 2024, and 2023, respectively.

During the six months ended June 30, 2024 and 2023, the Group incurred $5, and $0, respectively, of expenses paid to related parties.

Convertible Notes Issued to Directors

Certain related parties of the Group have invested in convertible notes issued by the Group's subsidiaries. As of June 30, 2024 and December 31, 2023, the outstanding related party notes payable totaled $107 and $104, respectively, including principal and interest. The notes issued to related parties bear interest rates, maturity dates, discounts and other contractual terms that are the same as those issued to outside investors during the same issuances.

Directors' and Senior Managers' Shareholdings and Share Incentive Awards

The Directors and senior managers hold beneficial interests in shares in the following businesses and sourcing companies as of June 30, 2024:

	Business name (share class)	Number of shares held as of June 30, 2024	Number of options held as of June 30, 2024	Number of RSUs held as of June 30, 2024	Ownership interest[1]
Directors:					
Dr Robert Langer	Entrega (Common)	**250,000**	**82,500**	**—**	**4.09 %**
Dr Raju Kucherlapati	Enlight (Class B Common)	**—**	**30,000**	**—**	**3.00 %**
Dr John LaMattina[2]	Vedanta Biosciences (Common)	**25,000**	**15,000**	**—**	**0.25 %**
	Akili (Common)	**56,554**	**—**	**—**	**0.07 %**
Senior Managers:					
Dr Eric Elenko	Seaport Therapeutics	**950,000**	**—**	**—**	**1.11 %**

1 Ownership interests as of June 30, 2024 are calculated on a diluted basis, including issued and outstanding shares, warrants and options (and written commitments to issue options) but excluding unallocated shares authorized to be issued pursuant to equity incentive plans and any shares issuable upon conversion of outstanding convertible promissory notes.

2 Dr John LaMattina holds convertible notes issued by Appeering in the aggregate principal amount of $50,000. Share holdings in Akili were sold in July 2024 as a result of the acquisition of Akili by Virtual Therapeutics.

Directors and senior managers hold 10,295,371 ordinary shares and 4.3 percent voting rights of the Group as of June 30, 2024. This amount excludes options to purchase 1,996,875 ordinary shares. This amount also excludes 4,287,561 shares, which are issuable based on the terms of performance based RSU awards granted to certain senior managers covering the financial years 2024, 2023 and 2022, and 355,212 shares, which are issuable to directors immediately prior to the Group's 2025 Annual General Meeting of Stockholders, based on the terms of the RSU awards granted to non-executive directors in 2024. Such shares will be issued to such senior managers and non-executive directors in future periods provided that performance and/or service conditions are met, and certain of the shares will be withheld for payment of customary withholding taxes.

Other

See Note 6. Investment in Notes from Associates for details on the notes issued by Gelesis and Vedanta to the Group.

As of June 30, 2024, the Group has a receivable from Sonde and Vedanta in the amount of $930.

See Note 5. Investments in Associates for details on the execution and termination of the Merger Agreement with Gelesis.

18. Taxation

Income tax benefit/(expense) is recorded based on management's estimate of the annual effective income tax rate which is determined for each jurisdiction and applied to the interim period pre-tax income/(loss) of each jurisdiction, respectively. Income tax benefit/(expense) related to discrete events or transactions are recorded in the interim period in which the event or transaction occurs.

For the six months ended June 30, 2024 and 2023, the Group recorded an income tax benefit of $6,147 and an income tax expense of $11,807, respectively, which represented an effective tax rate of 11.2 percent and negative 85.9 percent, respectively. The income tax benefit recorded for the six months ended June 30, 2024, primarily related to recognizing an income tax benefit from generated tax credits, a discrete income tax benefit related to the capital loss from the Akili investment, partially offset by a discrete income tax expense related to the mark-to-market investment adjustments.

19. Subsequent Events

The Group has evaluated subsequent events after June 30, 2024, up to the date of issuance, August 28, 2024, of the Condensed Consolidated Financial Statements, and has not identified any recordable or disclosable events not otherwise reported in these Condensed Consolidated Financial Statements or notes thereto.

Directors’ responsibility statement

The Board of Directors approved this Half-yearly Financial Report on August 28, 2024.

The Directors confirm that to the best of their knowledge the unaudited condensed financial information has been prepared in accordance with IAS 34 as contained in UK-adopted International Financial Reporting Standards (IFRS) and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

Approved by the Board of Directors and signed on its behalf by:

Bharatt Chowrira
Chief Executive Officer
August 28, 2024